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THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

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CONSUMER MUST BE ENCOURAGED IN BUYING MORE

Sir Joseph Flavelle on the Business and Industrial Situation

IN GOOD POSITION

Manufacturers Facing Many Problems But Many Have Strong Reserves—Costs Not Yet at Top

Whatever problems the immediate future may hold for industry the indications are that most manufacturers are in a position to face conditions with assurance backed by a strong reserve position. Reports indicate that from the prosperous years many concerns used profits to make things snug financially for the storm of readjustment. An official of a leading bank who gives particular attention to industrial accounts as a costs expert has had little difficulty with such accounts to the present, and he thinks that generally speaking industrial concerns are in a good position. At present the problem appears to be rather between the manufacturer and the consumer, with the retailer particularly concerned. The latter is not yet showing a disposition to get down to a basis of replacement cost and many will yet have to take losses on their stocks. On the other hand, however, information secured from all parts of Canada indicates that stocks are generally small and that failures will be very much the exception. This situation as regards stocks may be regarded as a healthy one as indicating that a resumption of buying would soon be reflected in manufacturing orders.

The manufacturer has a number of problems to solve. Not the least of these is labor costs. In some industries adjustments have already been made. This seems likely to become more general in Canada as it has in the United States. The attitude of the outstanding labor leaders has helped in this direction. They have seen that in the interests of the workers it is necessary that some concessions be made in order that industry can resume. Forbes' Magazine points out that although little noise has been made about it, workers in many industries have manifested a readiness to accept wage reductions of 10, 15, 20 and even 25 per cent. By the end of winter it is expected that wage levels in the States will have fallen into line with the price levels of goods and commodities.

Meeting the Consumer

A remarkably comprehensive review of the business and industrial situation was given at the annual meeting of the National Trust Company on Wednesday by Sir Joseph Flavelle. He pointed out how goods had accumulated because of the increased prices and demands which acted as an incentive to the manufacturer. Trade and business being figured in volume of dollars instead of in quantities of goods, this overproduction did not become apparent for a long time and it was followed by a sharp reaction when retailers suspended orders, a reaction which went back by various stages to the manufacturer and the producer of the raw materials. A readjustment of prices was the result in order to reach a basis of values which would interest the consumer. It was in the buying power of the latter that business would have to work out its future. In this connection he said:

> If two tons, or two pounds, or two yards, or two articles can be purchased by the consumer for the recent cost of one, there will be added comfort for the buyer, added orders from other nations, and added employment for the worker.

In this connection Sir Joseph gave an illustration in the fact that steel mills had not sufficient orders and that lumber mills were slack; thousands of men were out of work and yet the demand everywhere was for more houses.

These conditions lead to the conclusion that when a proper relationship can be established between the producer and the consumer business will again go ahead. In reaching this adjustment the manufacturer and the merchant have their part to play. They must endeavor to reduce costs of production and costs of service to the lowest possible point and be content with narrow profits in order that the consumer may be placed in a position where he can buy enough goods to warrant such production as to bring general industrial activity. How the manufacturer is facing the issue is indicated by the remarks of President A. O. Dawson, of the Belding-Paul Company, at the annual meeting, when he told of drastic re-

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MOTOR TRUCK IS MOST EFFICIENT FOR SHORT HAUL

Shipping Experts Give Evidence Before Sutherland Commission

FOR FARMERS TOO

Government Investigator Finds Fruit and Vegetable Growers, Dairy and Stock Men Use Motors

That the rapid development of automotive transportation in Ontario would seriously cut in on the freight earnings of proposed hydro radials, if the latter were built, was the weight of evidence given before the Sutherland Royal Commission during its sittings of the last few days. Representatives of large industries testified that they are now shipping their goods as far as Niagara Falls, Ont., by motor truck and doing it more economically and with greater satisfaction than by rail. They also stated that the rates on railroads would have to be very materially reduced from those now prevailing before they would even consider returning to the old form of transportation. They did not think that the service which might be offered by hydro radials would have any influence on their minds.

These witnesses were called by R. S. Robertson, counsel for the municipalities that are reluctant to have the provincial credit pledged for millions for the projected lines. In commenting on their appearance before the Commission Mr. Robertson said that in presenting this evidence he was merely endeavoring to throw some additional light on subjects which had already come before the investigating body in various ways.

Better Than Railroads

H. A. Telfer, of the Telfer Biscuit Company, of Toronto, stated that his firm had carefully investigated all costs, both as to rail and motor shipment, and had come to the fixed conclusion that they saved a good deal of money by using motor transport between Toronto and Hamilton, Brantford, St. Catharines, Niagara Falls and Welland. He put the analysis under the following heads: Saving in cost, economy of goods in transit, preservation of products, more efficient service, extended control over products, and individuality of system. A truck driver would take a load of biscuits from the door of the factory direct to the door of the wholesaler. He could deliver the invoice with the goods. Crating of the containers was not necessary. The delays and labor incidental to the old form of shipment by which they would have to have their produce carted to a railway freight shed, then have it loaded on the trains, shipped and unloaded in a warehouse at the other end of the line and then carted to the wholesaler with the consumption of a week or more of time between the factory and the consignee was eliminated by the truck system. The wage of a staff of men to crate was saved, loss of product was reduced to zero and customers were given a lower price on goods. Mr. Telfer had detailed statistics of his costs in connection with motor service. Comparing the cost of motor transport as against rail he submitted the following figures:

Cost of 100 lbs. to Hamilton by rail, $1.20, same by motor, 32 cents.

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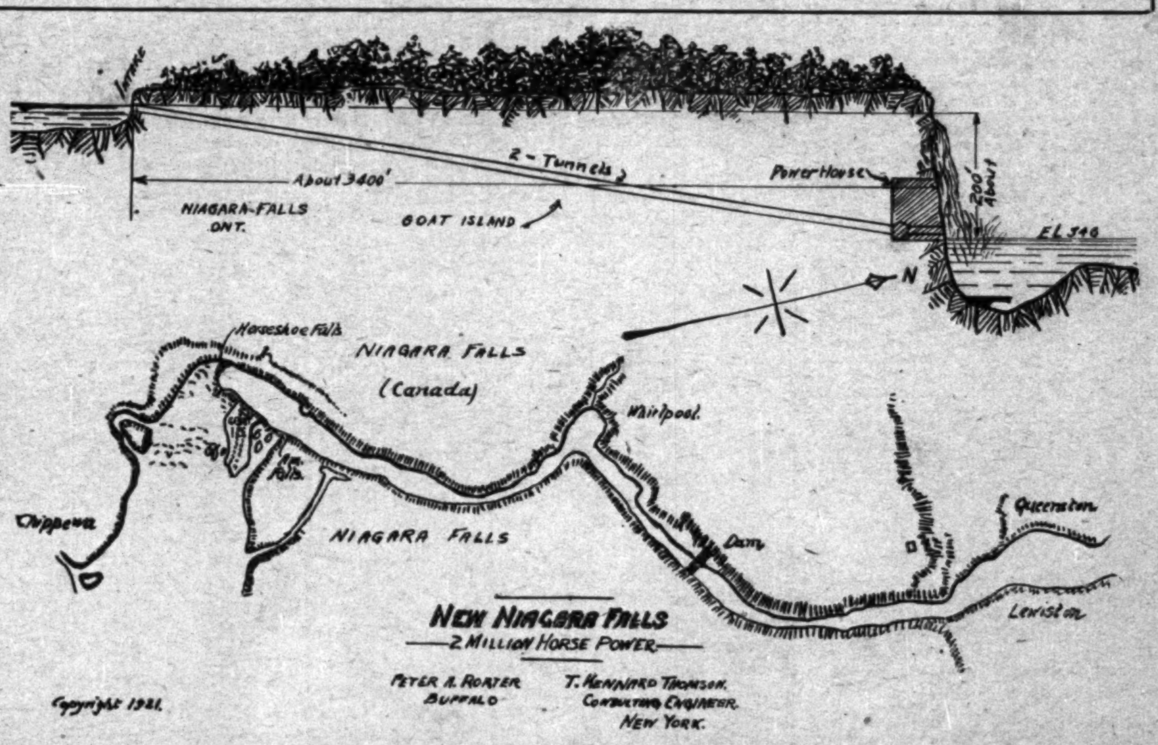
To Develop 2,000,000 Horse Power on the Niagara



This sketch outlines the proposals of T. Kennard Thomson and Peter A. Porter for the development of 2,000,000 horsepower of electric energy at Niagara by the tunneling of Goat Island and damming of the Niagara river. Both undertakings are daring but they are having very serious consideration. After tunneling the island as indicated in the upper sketch there would be a fall of 102 feet from the foot of the falls to the site of the bridge at Foster's Flats, between the Whirlpool and Queenston.

Full particulars of this project are given on page 19 in a statement as made by Mr. Thomson to the new Federal Water Power Commission at Washington. The commission recently heard many proposals but this was the only one of an international character. Both Canada and the United States would share in the benefits.

To carry out the project as outlined would mean that the present Chippawa development would have to be abandoned but Mr. Thomson says that even $100,000,000 thus lost would be represented eventually by a saving of that much or more in each year.

THE NON-PARTISAN LEAGUE IN WEST

Collecting Large Sums in Fees And Making Ridiculous Promises

By Resident Representative.

REGINA. — The Non-Partisan League has again broken out in Saskatchewan. This time it is operating in the northeastern part of the province, among a population composed largely of Ruthenians, many of whom cannot speak English or are not acquainted with political or economic conditions of Saskatchewan. Notwithstanding the repeated rebuffs the League has received, meetings are being held almost daily in different districts and the latest move of the League is to invade the constituency of J. M. Parker, M.L.A., at Touchwood, Sask.

The principal object of the League is to collect as many fees of $15 from each member as possible, according to Parker. He declares the greatest danger is that they will succeed in stirring up an anti-Canadian spirit among the many foreign-born settlers of the province. He asserts that they are working zealously among the non English people against constituted authority and attempting to capture votes for the next provincial election by making the most ridiculous promises. One of the main planks of the League is that if the League is returned as a party at the next provincial election, it will make the farmers' wheat worth $4 to $5 a bushel to him.

At some of the meetings, officials of the League claim that they have 13,000 members in Saskatchewan. Taking the fee of $15 each, this means that the foreign-born farmers have contributed nearly $200,000 to the coffers of the League. Turbulent scenes have been enacted at many of the meetings. At Goodeve, Sask., one of the audience demanded his $15 returned. A riot almost followed and it ended by the owner of the building closing his door to the meeting.

NEWSPRINT PRODUCTION

MONTREAL.—Official figures show that the production of newsprint in Canada and the United States for 1920 by forty-four of the mills reporting amounted to 2,138,614 tons as compared with a total of 2,013,919 tons in 1919. The December production was somewhat lower than one year ago owing to Christmas shutdowns. The amount of news imported from Europe into the States in November amounted to only 8,451 tons,

"EXCHANGE" TAX ON MILLS MIGHT DEFEAT ITSELF

Many United States Customers Asking to Pay in Canadian Funds

By Resident Representative.

MONTREAL. — There has been fairly widespread belief shown this week in financial circles in the story that originated at Ottawa that the Government intended to force the pulp and paper companies to return the full advantage of the payments made them for pulp and paper in New York funds, that is to make them forego the advantage of exchange, which would amount to many millions of dollars in the year. The story was heralded as a special form of taxation that would be introduced.

In pulp and paper circles, however, no such belief in this rumor is held. It is felt that such legislation would be discriminatory against a certain section of the industrial world, and hence very unfair. As a matter of fact the question of forcing companies benefiting by the premium on New York funds to pay a certain amount as government taxes was considered about a year ago in Ottawa and it was decided adversely at the time.

There is another side to the situation. For some time pressure has been brought to bear upon the Canadian pulp and paper companies to give their American customers their products at the same price as Canadians pay. That is, in the case of newsprint, when they sell it for $130 a ton in Canada they were asked to quote $130 for export but in Canadian not New York funds. Where exchange is running around 10 per cent. the difference would be $13 a ton. If the government decided to exact a special tax, which at the present time would represent about $15 to $16 a ton for export on all newsprint, it would pay the Canadian mills to dispose of their products at Canadian prices and allow their American customers to pay them in Canadian funds. That is, the Americans would be getting a reduction of about 12 per cent. or more as against current prices quoted them by United States mills or by foreign mills. When the demand for pulp, and to some extent for paper, is not as keen as it was, such an advantage would be sufficient to guarantee a market for the Canadian mills for their products against all their competitors

THE FORDNEY BILL NOT LIKELY TO PASS

Senator McCumber Displays Ignorance of International Trade

By Resident Representative.

OTTAWA. — The impression prevails in official circles here that there is not much to be feared from the proposed Fordney or emergency tariff bill which is now before the committee of the Senate; but a good deal of surprise is expressed over the extraordinary ignorance of facts shown by Senator McCumber, acting chairman of the Finance Committee. Senator McCumber is quoted as saying, in the course of the debate: "We do not send anything to Canada that the Canadians do not charge duty on, and we allow her to export wheat into the United States without a penny of duty." The facts, as Senator McCumber should have known, are far otherwise. The United States is in an even more favored position than Great Britain, with whom there is a preference of one-third.

During the last fiscal year out of total imports from the United States of $801,097,318, the total of free goods was $301,380,693. During the same period the total imports from Great Britain were $126,363,631, of which $33,117,662 were free. The list of free goods in Canada includes many items of the greatest importance to the producers of the United States, immense quantities of such material as cotton, coal, tractors, fruit, etc., entering Canada free to the manifest advantage of the American producer.

Different members of the government, including the Premier himself, have taken the occasion in recent public utterances to drop a hint to our neighbors that if the Fordney bill passes there will be tariff legislation in Canada which will have a retaliatory effect.—T. M. F.

SAWYER-MASSEY

Rumors of pending developments of a most favorable character in connection with the Sawyer-Massey Company, Limited, are in circulation on the street. While there has been nothing official on the matter the rumor tends to the belief that negotiations of purchase are now under way. It is reported that the Austin Machinery Company, of Chicago, is endeavoring to purchase the Linderman Steel Company, of Woodstock, and together to take over the Sawyer-Massey Company.

RECESSIONS ARE IN ORDER ON THE STOCK EXCHANGES

Buoyancy of Earlier Weeks Has Largely Spent Its Force

IRREGULAR IN TONE

"Trading Market" Develops And Investment Features Bear Up Well—No Constructive Force

The week just closed has witnessed further recessions of a minor scale in a large number of Canadian stocks. The buoyancy of the opening weeks of the year was apparently but a temporary development, and has largely spent its force. The markets of late have displayed no definite trend, the recessions, however, outnumbering the advances, although fluctuations in either direction have been within a comparatively narrow range.

What lies before the markets is still the subject of speculation. There is a lack of constructive force in sight to start the markets off on an extended rally. Brokers state that a "trading market" has now developed. A market of this form is characterized by irregular movements, with the investment features the chief objects of interest. Changes in the paper stocks were mainly in the negative list. The tractions were firmer, and one member of the group developed into a market leader in the anticipation of favorable news. The banks have held the gains of the past few weeks and further advances were recorded in several instances. The industrial list was irregular in tone, and here the recessions were in the majority.

The exchange markets were firm throughout the week. Wall Street was reactionary. Money rates were higher in New York, the rate on call loans being the highest since November last. Local brokers, however, re-

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THE MARITIMES OPPOSE NATIONAL RAILWAY POLICY

Hot About I. C. R. Being Burdened With C. N. R. and G. T. R.

THE EASTERN VIEW

Claim International Was Not Intended To Be Financial Success But Was on Better Footing Than Others

ST. JOHN.—The present railway situation in Canada is causing more perturbation in the Maritimes than in the West—if that is possible. Time was when the Maritimes had to listen with what patience they were capable of while Western and Ontario politicians complained of the burden of what they called the Federal Government's white elephant—the old I.C.R. Now the Maritimes are complaining lustily because the Government has added the Canadian Northern to the National Railway system, as well as the Grand Trunk Pacific, and are in process of adding the old Grand Trunk system. The Moncton Transcript protests that the I.C.R. should not be expected to shoulder the burden of the sins of the Canadian Northern. It says that Western politicians and others who complained that for years the I.C.R. did not pay interest on its capital investment forgot that other railways received subsidies and land grants. It adds that if the I.C.R. had been accorded land grants on the scale of other roads it would be one of the most prosperous railway systems on the continent.

The St. John Standard, the leading Conservative organ of the province, seems to be even more annoyed about the present railway situation than the Liberal organ of the railway city. Under the caption "The National Railways," the St. John Standard said editorially the other day:

"The Intercolonial Railway was one of the most important items in the terms under which these eastern provinces entered the Canadian Confederation. It was the understanding of the men who brought about the consummation of that great scheme that we in these little provinces should, in the development of Canada, enjoy within reasonable limits, all the transportation benefits that could be extended, to compensate for the sacrifices which we made. We had no public lands, we had no great natural resources which at a later date might be exploited for the good of the country as a whole. We went into the Union simply with what appeared on the surface, we gave everything, and trusted to the future for our well-being. In the past fifty years we have had promises—and nothing else. The time is coming for a showdown, and when that time arrives—as it will very shortly if the present policy of railroad administration is persisted in — these three provinces will want to know just where they stand in respect to the terms upon which they entered the partnership.

"Fifty years ago it certainly was not our intention that to-day we would be called upon to divert to other sources fifty per cent. of the amounts which we pay for freight and passenger charges to swell the money bags of Mackenzie & Mann, to enable the grain growers of Western Canada to purchase bungalows in California, or to provide fat salaries for all and sundry political appointees from other provinces who are doing their best to destroy a road which we have fondly regarded as one of our greatest assets.

"Only a few years ago the Intercolonial if not actually making money was at least paying its way. The line between Montreal and Halifax, when its accounts were separated from others, was found to be in a satisfactory condition. How much more satisfactory would these accounts have been had the promises of Confederation been carried out? MacDonald, MacKenzie, Tupper, Laurier and Borden time and again declared themselves unreservedly committed to the policy of Canadian goods via Canadian ports. But not one of them ever moved a finger to bring about this very desirable condition. To-day's result is that St. John harbor is almost idle, and half the men along the line are loafing. Another condition is this: It is possible to-day to hire a sleeping car in Montreal, load it with passengers with fully paid fares, pay for their berths, their meals and even their tips to porters, and bring them to St. John in less than a day for less money than is demanded for a full car of freight from the same point, which takes from a week to a month on the road. This is not because the cost of freight haulage on these eastern lines has so greatly increased, but because we are compelled to pay heavily for the damfoolishness of former governments in allowing a group of promoters to bring western municipalities to the verge of bankruptcy through the guarantee of semi-worthless bonds on railroads which were quite as expensive as they were unnecessary. We are, on every pound of freight hauled over the I. C. R., handing out fifty per cent. of our money to the utterly selfish West, and at the same time endorsing a manipulation of the Government Railways which is steadily and surely bringing them into disrepute with the people of these Eastern provinces.

"The Intercolonial is a money making institution. It was never intended to be anything of the kind. But the government system, as a whole, is losing nearly a quarter of a million dollars every day. And we are not only paying through the nose on our passenger and freight rates, but are being bled by federal taxation to make up the deficits which the Western provinces are accumulating while still in the enjoyment of those revenues from lands, resources, and otherwise which are denied us."

B. C. LUMBER COUNCIL

To Promote Co-operation Between Wood-Using Industries

VICTORIA.—To stabilize and promote co-operation between the wood-using industries of British Columbia, the Timber Industries Council has been organized with M. A. Grainger, formerly provincial chief forester, as its managing director.

The council will act as a central body with representation from all the lumber, shingle, timber holders' and pulp and paper organizations in the province. A lumbermen's exchange similar to commercial exchanges established in other cities will probably be one of the outcomes of this effort.

LOOK FOR LOWER CONSTRUCTION COSTS

January Returns Show Slight Gain in Contracts Awarded Over December

Construction contracts were awarded in Canada during January to a value of $8,947,500, or an increase of $201,000 over December last, according to returns compiled by MacLean Building Reports, Limited. This total was made up as follows: Residences, brick and frame, $1,226,500; business buildings, $2,520,800; industrial buildings, $271,000, and engineering construction, $4,929,200.

An interesting comparison is presented also of building in the thirty-five leading cities of the Dominion during the past nine years, beginning with the peak year in 1912, when the totals reached $185,233,449. Building returns for the remaining years are as follows: 1913, $153,662,842; 1914, $96,780,981; 1915, $33,566,749; 1916, $39,724,466; 1917, $33,936,426; 1918, $36,838,270; 1919, $77,208,134, and 1920, $100,241,607.

Commenting upon the outlook for the present year the report intimates that construction to the value of $300,000,000 may be looked for and that building operations will probably be the largest since the record year of 1912. There is every reason to believe, the report continues, that building costs will come down before the opening of the spring, and should this occur the erection of residences will proceed at a pace not witnessed heretofore.

TOBACCO FARMERS ARE IN DILEMMA

Prices Are Low and Unsettled —Small Acreage Promised For Next Year

By Resident Representative.

LONDON—With approximately ten million pounds of tobacco held in this district by various growers no small anxiety has been caused by the action of several insurance companies in cancelling policies on tobacco. No reason for the cancellation is given, but it is supposed it may be a result of the recent case in Raleigh Tp., where a farmer and his wife were committed for trial on a charge of having burned their tobacco crop and then tried to collect the insurance.

Until this week buyers for tobacco have been conspicuous by their absence. Now, however, a few are out, but the prices they are offering, 30 to 35 cents per pound for flue cured leaf, are decidedly unsatisfactory to the growers. Many claim that they will be out if they sell at this price as they had to pay such high wages for help. They are in a dilemma, fearing that if they do not accept they will have to carry their crop indefinitely and perhaps have to sell at even a lower price later. This situation is going to have a most important effect this spring on the amount of land sown with tobacco. For several years the area has been increasing rapidly. Indications now point to the smallest tobacco acreage in years, owing to the uncertainty regarding prices and marketing.

THE U. S. WHEAT SUPPLY

Nearly 100,000,000 Bushels Less Than a Year Ago

The stocks of wheat in United States on January 1, 1921, are estimated by Bureau of Markets and Bureau of Crop Estimates to be 320,000,000 bushels, which is approximately 40 per cent. of the total available July 1, 1920, and compares with 417,000,000 bushels on January 1, 1920. After deducting an average carry-over of about 70,000,000 bushels, there remains about 250,000,000 bus. in this country available for export and domestic requirements during 6 months from January 1 to July 1, 1921.

PAPER INDUSTRY ON THE PACIFIC MAKES HEADWAY

Period of Uncertainty Now Seems Practically Over

McGARRY ON THE JOB

Will Take Personal Charge of Whalen — Prince Rupert, Beaver Cove, Western Canada and Others Active

By Resident Representative.

VICTORIA.—There are many indications that the period of uncertainty and hesitation in the pulp and paper business of British Columbia is practically over, and that the industry is ready for a new era of general development. The Prince Rupert Pulp and Paper Company has been incorporated within the past few days with a capitalization totalling $4,000,000. Its head office will be in Vancouver, and it is stated that the company intends to operate a large sawmill and pulp plant near Prince Rupert.

The Beaver Cove Lumber & Pulp Company is in process of reorganization and it is stated that new capital will be invested in the concern, thus ensuring early operations. C. S. Battle sold most of the timber now held by the Beaver Cove Company to W. H. White, of Boyne City, Mich., about fifteen years ago, but it was not until about three years ago that actual development commenced. An up-to-date plant was established, but owing to the financial depression manufacturing was not commenced. Liabilities accumulated and Mr. Battle was appointed trustee. Mr. Battle says that New York, Chicago and Buffalo capital now seeks to buy out the White interests, and he expects that the project will go forward as soon as the deal is consummated.

Interest continues in the projected $6,000,000 pulp and paper plant for Prince George, referred to in THE FINANCIAL POST recently, and which is backed by Eastern Canadian and American capital. Baron Beaverbrook, Molson McPherson and Sir Charles Gordon are said to be among those interested in the enterprise, which involves development of the timber on an area of nearly 200 square miles.

McGarry on the Job

The Whalen Pulp & Paper Mills, Ltd., are preparing to meet the competition likely to develop, and the Reliance Mill & Trading Corporation, of New York City, headed by John Ball, formerly of Price Brothers, and U. M. Waite, lately of the International Paper Company, has been appointed to take charge of the manufacturing end of the company. T. W. McGarry is the new president of the Whalen company, succeeding Sir George Bury. S. H. Garrigan will be personally in charge of operations.

A deal has been consummated whereby the Powell River Company has purchased nearly 5,000,000,000 feet of timber on the Queen Charlotte Islands. The major portion of this timber is spruce and hemlock, and is to be used in the Powell River Company's pulp and paper plant. It is estimated that this will give a fifty-year cut under normal conditions. The company's camp at Kingscombe Inlet is to be opened soon and later will be moved to the Queen Charlotte, so that cutting can commence in June and enough logs obtained to make towing easy by the middle of that month.

Changes in Western Canada.

Some changes in the management of the Western Canada Pulp and Paper Company have been announced. Henning Helin has been appointed general manager, and H. J. Daly will succeed E. M. Davis as president. Mr. Helin, who gained his first experience in the paper industry in Sweden, was for six years technical manager of the Wayagamack Pulp and Paper Company.

Operations will commence in February at the Port Mellon plant of the company, which will have a daily capacity of about forty tons, according to W. O'Connor, secretary of the company.

INCREASE IN UNEMPLOYMENT

The Dominion Headquarters of the Employment Service of Canada, Department of Labor, reports that there was a slight decline in employment during the week ending January 8, when it was reported by 4,892 firms that they had released 2,769 persons, a contraction of less than one-half of one per cent. Firms in eight industrial groups registered additions to their payrolls aggregating 7,521 workers, but in 24 groups there were decreases totalling 10,290 employees.

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Established 1837. Incorporated 1880
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Paid-up Capital ...£2,500,000
Res. Fd., £2,570,000 Together £5,070,000
Res. Liab. of Proprietors....£5,000,000
Total Capital and Reserve.£10,070,000

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In Queensland 19
In South Australia 14
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General Manager

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GOVERNMENT OF NOVA SCOTIA FACES CLAIMS

Expropriation of Water Powers Leads to Many Actions

HALIFAX POWER CO.

Demands $625,000 in Connection With Development Work Which Has Been Done in the Past

By Resident Representative.

HALIFAX.—On the 16th of this month the Nova Scotia government will be faced with claims from property owners and the old Halifax Power Company for $625,000. The commission expropriated the properties at North-East and Indian rivers, where the Halifax Power Company had begun years ago and in response to a request for claims to be filed the amount mentioned has been sent in to the office of the commission. The power is to be sold by the government in Halifax city. The claims number about thirty and the acreage taken is 700 or 800. In addition to this is a claim which alone stands at $1,600,000 filed by the Miller brothers, who had lumber mills on the streams and still operate them. But this claim is not seriously considered for the Millers say that if the rivers are left in such a condition that they can be used by them in floating logs they will not press for any substantial amount.

Of the $625,000 the claim of the Halifax Power Company is for $500,000. S. M. Brookfield, president of that company, claims some $140,000 money paid out, the cost in part of the building of a dam and other works at Wright's lake. This work was found to be of value in the new development undertaken by the Nova Scotia Power Commission and is not lost, but a great deal of the half million asked does not appear, the engineers say, in any work that can be used to lessen the cost of the undertaking as it is now going on. The work as planned by the Halifax Power Company was estimated to cost $1,000,000, and it is doubtful if it could have been done for that, whereas the present estimate is $1,500,000.

Some of the items of the Halifax Power Company's claim are: $55,000 for the Wright's lake dam; judgments and interest account for $11,000; the Power Company's bonds are set down at $144,000 issued, and unpaid interest on the bonds, $60,000. There is an item of $90,000 bills payable. The company says that it is asking nothing for the common stock issued, considerable of which was sold at $30 per share. Included in the claims sent in is one for $40,423.50 from a group of Halifax gentlemen who had a fishing camp and rights on the river. They are W. A. Black, G. W. Hensley, J. Norwood Duffus, H. R. Silver and J. T. Thomson. The cost of the camp itself is given as $350.00.

How Claims Are Based

The character of some of the claims is shown by that of one owner who holds property on which there is a mortgage of $2,700, and cost at first $3,000. The claim sent in is for $18,000, based on "injurious affection" of the lands, the allegation being that by the diversion of the waters the timber on the lands cannot be handled as it was contemplated it could be before the expropriation and development.

A great many of the claims overlap. The commission finds that the titles to the lands in this region are hopelessly mixed. One lot is held by a man under a will, though the former owner and devisor under the will had given deeds of the property to a third party. The deed was not registered and the maker of the will evidently forgot he had sold the property. Now the man who inherited under the will comes in with a claim for damages and the man who failed to register his deed has a poor position in the scramble for something from the government.

Owing to the tangle the government will, it is believed, not attempt to find out who owns the properties, but will make its awards by number of lots, pay the money into court, and let the claimants fight it out as best they can and at their leisure. It promises to be a protracted and difficult, not to say expensive, affair.

WORK ON P. G. E. CLOSED DOWN

Victoria.—All camps engaged in construction work on the Pacific Great Eastern Railway have been closed down, and operations will probably not be resumed until after the session of the Provincial Legislature, which is expected to bring into force some important legislation affecting the road, which is owned and operated by the Government.

47,000 MILES OF FILMS

Exports Alone From United States Amounted to That

Motion picture films sent out of the United States in 1920 aggregated 47,000 miles in length or nearly enough to extend twice around the globe at the equator, and incoming films were nearly half as much in length. These tremendous figures, says a statement by The National City Bank of New York, illustrate the bigness and constant growth of the motion picture industry of the world and especially of the United States, which is by far the largest manufacturer of films and also by far the world's largest exporter of films both exposed and unexposed.

B. C. LOGGERS DEAL A BLOW AT O. B. U.

The Logging Unions Have Been Backbone of O. B. U. In the West

By Resident Representative.

VICTORIA.—By withdrawing from the One Big Union the British Columbia Loggers' Union, at its convention in Vancouver a few days ago, dealt a blow at the O. B. U. movement west of Winnipeg which, it is believed, will prove a knockout.

The loggers decided on this action as a result of disagreement at the Port Arthur convention, when some of their delegates withdrew. The loggers, with their affiliated bodies, number about 20,000, so the O. B. U. is now adrift with only 6,000 members, most of whom live in Winnipeg. The logging unions were the backbone of the O. B. U. in the west.

BIG COAL PROJECT AT PRINCE RUPERT

Canadian National Railways Co-operating to Use Alberta's Coal

By Resident Representative.

VICTORIA.—Plans for the coal bunkers to be built at Prince Rupert provide a capacity of 2,000 tons. This is only preliminary to the execution of the permanent plans, which make provision for the handling of coal so cheaply that the market will be almost unlimited, according to reports. In the present plans four conveyors and a chute are provided for. This is only a small detail of the general scheme.

About one-third of the coal used in Prince Rupert already comes from the coal spur district of Alberta, but this new development means the invasion of the bunkering and outside supply business. Hon. J. L. Cote, Minister of Mines for Alberta, recently laid the proposition before officials of the Canadian National roads, including A. E. Warren, general manager, and received assurance that the company wanted the business and would give the plan every encouragement. Mr. Cote estimates that the Prince Rupert bunkers will mean an advance in the annual exports of Alberta coal to 100,000 tons.

Announcement of this enterprise was made last week in THE FINANCIAL POST in a despatch from our Edmonton representative.

GRAIN IN STORE

Shows Large Increase Over Corresponding Period Last Year

According to returns received at the Dominion Bureau of Statistics for the week ending January 21 last, the amount of grain in store at the different public elevators throughout Canada was largely in excess of the amount for the corresponding periods of the past five years. There has been a decrease from the previous week in wheat of 2,503,172 bushels, while increases are shown in oats of 709,498 bushels; barley, 94,458 bushels; flax, 206,669 bushels, and rye, 6,912 bushels. The volume of wheat in store totals 2,747,852 bushels; other grains, 29,637,797 bushels, and the total in store, 72,385,649 bushels. The following table is a comparative statement for the past six years:

Week end. Jan. 21.	Wheat Bush.	Other grains Bush.	Total Bush.
1921	42,747,852	29,637,797	72,385,649
1920	13,683,376	9,889,716	23,673,092
1919	42,926,815	11,719,674	54,646,489
1918	19,359,479	11,131,762	30,491,241
1917	30,333,306	24,540,309	54,873,615
1916	32,637,242	16,407,131	49,044,373

THE LARGEST FLOUR MILL

The statement that the new Alberta Flour Mills plant at Calgary will be the biggest single milling unit in Canada, which appeared in the last issue of THE FINANCIAL POST, should have referred to Western Canada only. The Maple Leaf Milling Company has a plant at Port Colborne which is turning out 12,000 barrels a day and which could, under pressure, be operated up to a capacity of 15,000 barrels a day.

LONDON BUSINESS MEN OPPOSED TO ELECTRIFICATION

Financial Results on Beck Road Have Not Been Encouraging

COSTS ARE NOW HIGH

Results Would Be Doubtful on Showing Made by the London and Port Stanley

By Resident Representative.

LONDON.—In connection with the conference which has been called on February 23 to discuss with representatives of various municipalities the electrification of the London, Huron and Bruce branch of the Grand Trunk, business men in general seem to question the advisability of considering such a project at the present time. Granting the need for improved railway service in Huron and Bruce counties, and allowing for increased business in the event of the project being carried through, they question the wisdom of attempting to go ahead with it now.

Many of them apparently have in mind the results that have followed the sinking of more than $1,000,000 in Sir Adam Beck's pet project, the London and Port Stanley Railway. They remember the glittering promises that were made and also the repeated calls that have come since for more and still more financial assistance. If the road is paying all the big dividends that are claimed they say why should tax payers be asked to dip down in their pockets repeatedly for more money. The latest gouge is for about $250,000, which General Manager Richards assured the board is absolutely necessary for reballasting the line, buying another electric locomotive and other equipment.

Many of the tax payers are cursing the day when they voted to electrify the railway to the lake following an energetic campaign by Sir Adam. A burned child dreads the fire and the London, Huron and Bruce proposition does not look good at the present time to many of the men who might reasonably be supposed to benefit most largely by the expenditure.

Discussing the proposal with THE FINANCIAL POST, Professor Louis Woods, of the Western University, estimated that the project would cost at least $4,000,000. The outlay for equipment alone, he says, would approximate $500,000 dollars.

"It cost $21,000 a mile in 1916 to electrify the London and Port Stanley line," said Prof. Woods. "This figure would be greatly exceeded for the London, Huron and Bruce line. It is 75 miles from here to Wingham. Our interest charges alone would be about $250,000 annually. To my mind a worse time to advance such a proposal could hardly have been chosen."

Prof. Woods referred to the history of electric lines in recent years in both Canada and the United States and declared it was most disheartening. From 1914 to 1920 he said no less than 166 companies, urban, interurban and radial, in the U. S., went into the hands of receivers.

"The whole proposition," he said, "has simply been a continuous one of bond defaultment, reorganization at a loss, and in many cases of surrender of charters by companies which could not remain in business. In addition to the firms I have mentioned there were a number of foreclosure sales. In 1920 alone sixteen companies gave up their enterprise entirely and abandoned and dismantled 267 miles of tracks. The capital investment of these roads was $12,000,000.

Experience in States

"To my mind even more significant is the very evident policy of experienced railway men regarding the electrification of steam lines. It is decidedly important that in 1920 only nine miles of steam railway were electrified out of more than 250,000 miles in America. Transportation men who are in close touch with actual conditions surely must have the strongest possible grounds for adopting the policy they are taking."

In the meantime, the L., H. & B. project, which is being boosted by friends of Sir Adam, including his trusty henchman, Philip Pocock, is causing a great deal of talk in the district. With the return of Sir Adam it is expected that a campaign may be inaugurated. If this is done there seems little doubt that many of the very strongest opponents of the proposition will be London business men and taxpayers, who have had real experience in Sir Adam's scheme in connection with the Port Stanley line.

TO INVESTORS

We have recently opened a Bond Department at Toronto, through which we shall be glad to arrange the purchase or sale of Victory or any other bonds for our customers. 546

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George F. Warren, Professor of Economics at Cornell University, states that Europe's debt to the United States is constantly growing and within two years will have reached the total of $20,000,000,000.

The total amount of investment offerings in Great Britain during 1920 was £384,210,919. This was a record amount, exceeding by more than £140,000,000 previous record for new capital issues in 1913.

MORTGAGE LOAN SITUATION PRESSING FOR SOLUTION

Mr. W. E. Rundle Points Out to National Trust Shareholders the Bearing of Scarcity of Capital on Country's Requirements for Farm and City Mortgage Loans—Exchange and High Interest Rates Make Importation of Capital Impossible

NATIONAL TRUST HAD A GOOD YEAR

Company's Combined Paid-Up Capital and Reserve Increased to $4,000,000—Assets Under Administration Also Increase—Elements of Company's Strength Enumerated.

That the mortgage loan situation has become of national importance was a view expressed by Mr. W. E. Rundle, General Manager of the National Trust Company at the Annual Meeting of Shareholders yesterday. Mr. Rundle said:

When addressing you a year ago I called your attention to a problem which, in my opinion, was then looming large on the horizon, and one which bid fair to assume national importance. The problem was as to where Canadians were, in the immediate future, to get money for farm and residential loans in view of the war having completely cut them off from one of their principal sources of supply—Britain and Europe. The passing of the last twelve months has served to emphasize the importance of this question. Our cities and towns are woefully short of houses. For many years the demand throughout Canada for farm loans has not been as great as it is to-day. Even in the Province of Ontario, where for some years the lending companies have experienced difficulty in placing farm loans, a striking change is taking place.

Before the war many farmers in Ontario who had money to lend placed it out on Mortgage to those of their neighbors who desired to borrow. It is well known that due to the educational effect of the Victory Loan Campaigns during the war, those who live in the rural districts of this province have become purchasers of bonds to no inconsiderable extent. If my recollection serves me aright about one-half of the amount subscribed in the last two Victory Loan Campaigns was taken by the people of the Province of Ontario; and of the amount subscribed by Ontario a goodly percentage was contributed by the rural population. If this tendency to invest in bonds continues—as it probably will—the farmers are likely to have less money to lend on Mortgage than formerly, and those of their number desiring to borrow will doubtless return to the lending companies which twenty years ago were the Ontario farmers' only source of supply for Mortgage Loans. The companies must be prepared to meet the demand.

Canada Must Supply Capital for Farm and City Building

It is well recognized throughout the world—and Canada is no exception—that if the several countries are to compass their debts and obligations incurred by the war they must develop to the utmost their natural resources and their various industries. Agricultural pursuits are followed by at least 40% of the Canadian people. Agriculture is Canada's greatest single industry. Our agricultural possibilities are limited only by the men and money we can find for them. Our manufacturing industries, which mean so much to the country and are capable of great expansion, must see to it that their work people are properly housed in order to be efficient in their work. Already there are abundant signs that whatever immigration Canada may desire to help develop the country, and of whatever texture, will be available both from Europe and the United States. There will be no lack of men. But it is not so easy to see where the necessary supply of Capital is to come from in the near future, especially for Mortgage Loan purposes. There is no doubt that very large sums in the aggregate have had to be repaid to Great Britain and Europe by Mortgage lending companies during the last year. How long this movement will continue it is difficult to say. International exchanges are so demoralized that it will take some time to re-establish them. No one can say how long, although all are free to guess. The fluctuations in exchanges during the last year have been so great that even if for a period they were to approximate more normal conditions the uncertainty of their continuance and their susceptibility, while Europe is in its present condition, to sharp reactions will tend to deter an early re-establishment of pre-war relations. Moreover, it is abundantly clear that Europe in its present state has little, if any, surplus Capital for export, but on the other hand has a crying need in the reverse direction. This is one of the main reasons why she is at present unable to get upon her feet.

Scarcity of Capital Remains, Even If Building Costs Drop

In emphasis of the need for Mortgage Loan monies, it has been estimated that it would require from fifteen to twenty million dollars of Mortgage Loan money to assist in providing the dwellings necessary to properly house the population of the City of Toronto alone. A great deal is heard nowadays about the stimulation which would be given to the building trade if prices of material and costs of building were to take a substantial drop. This is, no doubt, true. But I venture to think that unless some source of supply for Mortgage Loans, which is not now in sight, is found there will be great disappointment in building activities even should the cost of building materially fall. The situation in Toronto is but typical of that which prevails throughout the whole Dominion. Like most problems it is easy to point out the difficulties. It is not so easy, however, to construct a way out of them. But when a question assumes national proportions, as the question does which we are now discussing, the people will insist on a way being found. Some solution of the Mortgage Loan situation must be forthcoming.

Companies Must Share More In Liquid Funds

We have made this question the subject of much examination and study, and I submit that the practical solution of the difficulty must come largely through the Companies—Trust Companies and others—which society in Canada has so far evolved for meeting Mortgage Loan needs, obtaining a larger share of the liquid funds which are available in Canada itself. It is unfortunate that Canada is shut out from her old sources of supply for Mortgage Loan money. But she is. It is a practical situation which has to be met and not a theoretical one, and no one I think will hold in the national interest—aside altogether from the interests of the Companies themselves—that those who need money to assist them in the upbuilding of their farms and their homes should be denied their rightful participation in a fair share of the country's liquid resources.

Welcomes Goverament Inspection

I would call your attention to the change in the form of the Balance Sheet just presented. It is in greater detail than that submitted on former occasions and is in accordance with the form recently prescribed for Trust Companies by the Registrar of Loan and Trust Corporations. We are in hearty accord with the Registrar in his effort to place before the public full information with respect to these institutions, for they are seeking and receiving a liberal measure of public confidence and support.

The Government has also announced its decision to pass legislation at the present Session of the Ontario Legislature providing for the inspection of Trust Companies by duly authorized officers of the Crown. I am of the opinion that this will prove helpful both to the public and the Companies themselves. Supervision cannot but strengthen public confidence in the Companies if it is undertaken to make certain that they properly carry on only the business for which they were incorporated and if it is undertaken in a spirit wich will not hamper but will facilitate the Companies in functioning efficiently.

The Province of Ontario, early in its history, incorporated Loan Companies, and later incorporated Trust Companies, giving the latter powers in the lending of money somewhat similar to those enjoyed by the former. Both Loan and Trust Companies have played a fine part in the development of the country. They have kept pace with its settlement and by lending money on mortgage to the settler have assisted him in the betterment of his condition. They have done this at once with profit to themselves and with benefit to the country. The record of both Loan and Trust Companies, whether considered from the standpoint of service to the public or financial strength will bear favorable comparison with that of any other type of Financial Institution in Canada.

I believe the Shareholders will consider the report which has just been read a satisfactory one.

Capital and Reserve Now Total Four Million

The business of the Company has so rapidly expanded (the assets under administration amount to over ninety-four millions of dollars) that the Board of Directors felt that the paid-up Capital should be increased. It was, therefore, decided in June last to offer $500,000 of new Capital Stock to the Shareholders at $175 per share of the par value of $100 each. The whole of the issue was subscribed and paid for in full during the year, so that the Company's fully paid Capital is now $2,000,000, while the Reserve also amounts to $2,000,000. This places the Company in a strong position with its clients and with the public.

The Directors felt that the Company's earnings warranted an increase in the dividend from ten to twelve per cent. and the latter rate was paid for the last six months of the year. In this connection it must be borne in mind that the dividend is paid upon the par value of the shares only and not upon the issue price. The Shareholders of this Company have, invariably and from the inception of the Company, paid a substantial premium for their stock. The actual distribution by way of dividend, which the Company is now making to its Shareholders, is equal to but slightly over 7½% on the amount paid into the Company's treasury by the Shareholders for their stock.

Assets Again Show Gain

The assets which have come under our administration during the year again show a substantial increase, namely, $5,449,453.32. They are made up of Estates, Trusts and Agencies for which the Company has been called upon to act as Executor under Will, Administrator or Trustee and by the increase in the Capital Stock of the Company to which reference has already been made.

The net earnings for the year were equal to 15.58 per cent. upon the average paid-up Capital and amounted to $252,825.96, a decrease of $28,314.22 from those of the preceding year. The decrease in earnings is due to the Company having had substantially less Guaranteed Trust monies in the aggregate for investment during the past twelve months than for the preceding year. While our Deposits—which are part of our Guaranteed Trust funds—show an increase, the Guaranteed Trust Certificates which we issue in respect of monies received for a fixed period (usually from 3 to 5 years) show a decrease in amount. The rates of interest which Victory Bonds, Provincial Government and Municipal securities have yielded have been so high during the last two years that Trust Companies have been unable profitably to dispose of their Guaranteed Trust Certificates. In common with other mortgage lending Companies we have also experienced a withdrawal of funds by British and European investors.

Remuneration For Handling Estates Small

The increase in our volume of business helps to offset any decrease suffered through the loss of profit on Guaranteed Trust funds. Our increase in volume, however, as already pointed out, comes mainly from Estates for which we act as Executor under Will, and it is well known to Trust Companies that the remuneration received for the management of this class of business is small indeed compared with the expense involved in handling it. I have on several occasions pointed out to the Shareholders that the business of a Trust Company is bounded only by the activity of man and that, therefore, the staff required to look after it must possess varied qualifications. I doubt if it is sufficiently well realized by the public—although the fact can be readily ascertained by reference to the detailed reports of the Companies—that Trust Companies could not provide the organization necessary to the efficient management of Estates and Trusts nor render the highly technical service required in the administration of so complex a business unless their earnings from this source were supplemented by the profits they receive from the investment of their Guaranteed Trust monies. This principle was recognized in the first legislative enactments creating Trust Companies and has received continued recognition throughout all subsequent Trust Company Legislation. I thing it well specially to direct the attention of the Shareholders to this point to-day so that they may assist the Company in building up its Guaranteed Trust funds whenever opportunity offers. These funds are invested in first mortgages on improved farm and city property, in Dominion and Provincial Government bonds and in Municipal securities.

The Security for Guaranteed Trust Funds

No better security than our Guaranteed Trust Certificate can be found anywhere, since the holder has a double security:—

First—That of the mortgages or bonds in which his money has been invested (for they are ear-marked with the Trusts).

Second—The Guarantee of the Company behind which is two millions of paid-up Capital and two millions of Reserves.

The net profits for 1920, together with $59,623.15 brought forward from the previous year's Profit and Loss Account and $375,000 premium received on the New Stock Issue have enabled your Directors to pay dividends amounting to $185,231.80; to add $400,000 to the Reserve Fund; to provide $17,800 for Dominion Income War Tax, and to carry forward $84,417.31 in open Profit and Loss Account.

Of the foregoing items one only, I think, requires more than a passing reference. It is the $400,000 carried to the credit of the Reserve Fund. Of this amount $375,000 was provided by the Shareholders as premium on the New Stock Issue, while the balance was added from the year's profits. This brings the Reserve Fund to $2,000,000, which is equal to the Company's paid-up Capital. You will also observe that the balance carried forward in open Profit and Loss Account is substantially greater than it was at the beginning of 1920.

Elements of Strength in Company's Position

Turning to the Company's Balance Sheet, the Shareholders will, I think, be impressed with certain of its outstanding features. These might shortly be recapitulated in the following manner:

1. That 63% of the total assets held on Capital and Guaranteed Trust Account are invested in Mortgages.
2. That 84% of the bonds and debentures held are those of the Dominion of Canada, the Provinces of Canada, or Canadian Municipalities.
3. That the amounts invested in Call Loans and carried as Bank Balances aggregating $1,306,944.11 evidence the strong liquid position of the Company.
4. That the Company's total investment in Stocks is less tan 8% of its Capital Assets.
5. That only a small proportion (10%) of the Company's Capital funds is invested in office premises, notwithstanding the Company has six branches in Canada.

I am glad to be able to assure the Shareholders that every asset appearing in the Balance Sheet is well worth the figures mentioned therein—in fact notwithstanding the sharp fall in the market prices of securities in recent years our Assets are carried in the Balance Sheet presented to you to-day below present market prices. The Company is able to make this showing because of a policy established some years ago of setting aside from time to time out of the earnings of the year sums which would be amply sufficient in the judgment of the Directors and Management to take care of all contingencies.

Mortgage Loans

Mortgage interest payments have been well met, and with very few exceptions our Mortgage Loans are in excellent condition. In no case do we anticipate being unable to collect the full amount of the Company's claim. In this connection it will interest the Shareholders to know that during the twenty years in which the Company has been carrying on an active Mortgage Loan business it has never in any one year made a net loss of one dollar on its total Mortgage business: I do not mean to say that in individual cases there have not been small losses, for there have been, but these have been more than offset during the year in which they were made by profits received from the sale of other foreclosed property. I think this is a striking tribute to the care which has been exercised in the selection of our Mortgage Loans. It is largely due to the vigilance of our Inspectors, who are, of course, salaried officers of the Company and who see personally and report to our Managers and the Board of Directors upon every farm and city property offered as security.

HIGHER EARNINGS FOR B.C. ELECTRIC RY. CO. LAST YEAR

Net Profits Stand at $412,337 Against $363,019 For Previous Period

OUTLOOK BRIGHT

Returns for Later Months Continue to Show Improvement —Directors Talk of Further Increase in Fares

The annual report of the British Columbia Electric Railways Company for the year ending June 30 last, which was submitted to the shareholders at the annual meeting held in London, England, last month, revealed a satisfactory improvement in the company's position. As a result of the increased fares and rates which the company was permitted to charge the profits for the year amounted to $590,072 as compared with $519,364 for the preceding twelve months. Allowance for depreciation absorbed $164,745 as against $156,545, and there was an additional liability for the year under review in the form of a corporation's profits tax of $13,000, leaving the net profit at $412,337 compared with $363,019.

The report calls attention to the fact that while the dividend on the preferred stock is reduced from 5 per cent. less tax to £4 13s. per cent. free of tax, the distribution on the deferred stock is raised from 6 per cent. less tax to £6 4s. per cent. free of tax, or the equivalent of £8 17s. 1d. per cent. less tax. The 6 per cent. distribution of a year ago included a bonus of 3 per cent., the payment of which was rendered possible by a windfall in the shape of profits on exchange and amounts set aside for contingencies which did not arise, and it was distinctly stated that the bonus must be regarded as an exceptional distribution and must not be taken as an indication of a similar distribution in future years.

The company is in a difficult position as to the authority to which it can appeal for permission to sustain, or, if necessary, to increase its fares and charges. The British Columbia Public Utilities Commission has been abolished, and until July 1 next the company's railways are temporarily placed under the authority of the Dominion Railway Board. What is to happen in July has not yet been decided, but it is hoped that some arrangement will be made for setting up the necessary body to which appeal may be made for the adjustment of rates.

Prospects point to an extension of the demand for the company's services, and the revenue has shown further improvement since the end of the financial year, the net receipts for the five months to November 30 last showing at $945,124 a gain of $49,862. The company's chief difficulty is the high cost of all kinds of materials and the high wages. As the directors say, the company cannot return to the lower scale of fares and charges previously in force and at the same time pay the higher costs of operation. It may therefore be necessary, it is pointed out in the report, to obtain permission to make a further advance in fares and rates, and that being so it is desirable that there should be available some local authority fully acquainted with the circumstances to which appeal may be successfully made.

LAKE SUPERIOR CORP. INCREASES OUTPUT

Algoma Steel Secures Rail Orders—More in Sight

A report on the operations of the subsidiaries of the Lake Superior Corporation for the six-month period ending December 31 last indicate that there has been a substantial increase in output of the various departments over the corresponding period of the previous year. Shipments of iron and steel by the Algoma Steel Corporation, Limited, for the latest period totalled 244,991 tons as compared with 140,954 tons for the same period of 1919. Production for the last six months of 1920 is as follows: Magpie ore, 83,387 tons; coke, 269,385 tons; pig iron, 233,332 tons, and steel ingots, 190,052 tons. There is a decrease in the output of Magpie ore compared with the previous period because of the fact that the plant was shut down for a period for development work on the sixth level. Unfilled orders for iron and steel on December 31 last were approximately 69,500 tons. The company reports that two contracts have been closed for rails, for delivery during the first half of 1921, and it is stated that the directors expect the completion of further sales shortly.

There is little change in the production of coal, limestone and dolomite, the directors reporting, however, that the coal companies have been able to dispose of their output on favorable terms despite the falling market, and there has been a fair increase in earnings as a result. Operating results for the Algoma Central and Algoma Eastern Railways for the six months show an improvement over the corresponding six months of 1919.

RECESSIONS ARE IN ORDER ON THE STOCK EXCHANGES

Continued from page 1

port little or no difficulty in securing adequate funds from the banks to meet requirements, and the reason for the scarcity on the other side is not quite clear.

The markets have not as yet begun to discount a return of normal business conditions. The work of readjustment in the industrial world is still proceeding, and there is little indication that industry is as yet on the way to better times. Unemployment in this country is still increasing in volume. An improvement may be looked for in the spring, however, and for this reason brokers point out that the investor who is contented to hold will eventually profit if he purchases at present levels. He must, of course, exercise a due amount of discernment in the selection of his securities, but there is little doubt that the list offers some very favorable opportunities at the present time.

CANADA CEMENT

The annual report of the Canada Cement Company for the year 1920 will be issued towards the end of next week. This, as has been stated before, will show a considerable decline in earnings through unusual difficulties in production that occurred during the past year.

DETROIT UNITED

Stockholders of the Detroit United Railway, at the annual meeting this week were informed that compilation of the company's annual financial statement had been delayed by the extra work involved in attending to the city's auditing of the company's accounts. The report is to be submitted at a later meeting, which will probably be held in April.

DOMINION STEEL

It is reported from Sydney that the plant of the Dominion Steel Corporation may close down for an indefinite period. Officials decline to make any statement, but from what may be gathered there is no indication of further orders and those now in hand are only sufficient to keep three mills operating for another week. The hope had been entertained that the head office in Montreal would order continued operation for a period with a view to adding to stock, but this appears unlikely.

HOWARD SMITH PAPER

The president of the Howard Smith Paper Mills, C. Howard Smith, stated to THE FINANCIAL POST this week that the order situation in fine papers was improving, and he expected the situation to work back to normal steadily now. Progress is being made with the sulphite pulp mill at Cornwall and in a short time it will be able to turn out 50 tons of pulp a day. This will be used by the mills of the company, and cut down costs of materials considerably, compared with buying it in the open market. One of the book paper machines at Cornwall is being overhauled and it will soon be producing 45 tons of book paper daily, much more than when under the control of the Toronto Paper Mfg. Co.

The annual report of the company will be issued late in February, and it is understood the net earnings will run very far ahead of those of last year.

550% Increase—

WINNIPEG'S population has increased 550% in 20 years.

WINNIPEG ELECTRIC RAILWAY COMPANY has carried 59,000,000 passengers for the first 11 months of 1920.

Their net earnings have increased 50.60% over the same period of 1919.

We believe the securities of Winnipeg Electric Railway Company offer great investment possibilities.

Write for our analysis of Winnipeg Electric Railway Company.

NESBITT, THOMSON
and Company, Limited
Bank of Hamilton Bldg., TORONTO
Montreal Hamilton London, Ont.

CROWN RESERVE MINE HAD DEFICIT IN 1920

Disappointing Results Chiefly Through Mines Shutting Down From Lack

By Resident Representative.

MONTREAL.—The annual report of the Crown Reserve Mining Company for the year 1920 is much less favorable than in 1919, showing a deficit on mining operations of $72,055 as compared with a profit of $77,[illegible] one year ago. Ore production fell from $233,034 in 1919 to $34,260 last year.

	1920	1919
Ore production	$ 34,260	[illegible]
Mining and other exp.	106,315	[illegible]
Mine deficit	$ 72,055	[illegible]

Other items are—

	1920	1919
Head office expense, etc.	$ 14,649	[illegible]
Prospecting, etc.	4,781	[illegible]
Surplus forward	512,482	[illegible]
Total assets	2,517,321	[illegible]
Mining lands, etc.	2,043,075	[illegible]
Ore in hand, etc.	16,000	[illegible]
Cash	50,548	[illegible]
Inv. in other co.'s	383,593	[illegible]
Acts. receiveable	21,104	[illegible]
Accounts payable	4,882	[illegible]

In his report to the shareholders the president, Sir John Carson, says:

"The year 1920 proved to be a very disappointing one. During the first half of the year we were hampered with scarcity of labor and with high cost of all supplies, but nevertheless made steady progress and regular shipments. During the latter part of the year the power situation proved so serious and the shortage so acute that mine after mine was obliged to shut down, and when the Dominion Reduction Company closed down their mill, we were practically obliged to follow suit.

"We went in for a carefully laid out system of deep diamond drill work starting at the 500-ft. level, and this is now down some 1,500 feet. Intention is to carry it on, when circumstances warrant, to 2,500 feet.

"It is expected that the power situation will improve with the water provided by the melting of the ice and snow about the middle of April and that then we will be in a position to start up, resume development work and carry on diamond drilling to a conclusion.

"In addition to our Cobalt workings we have a total in the neighborhood of 2,000 acres of mining lands under lease, owned by staking or otherwise, in various parts of Northern Ontario and Quebec, and are hopeful that some of these holdings will turn out to our satisfaction and profit."

CONSUMER MUST BE ENCOURAGED IN BUYING MORE

Continued from page 1

adjustments looking to a resumption of trade activity on a sound basis.

Signs of the Times

The advance in express rates allowed by the Railway Commission is an indication that all costs entering into the manufacture and distribution of commodities have not yet reached the top. Business generally will recognize that the companies are entitled to higher rates to insure efficient service but will expect the Commission to see that prices are brought down just as soon as conditions warrant.

Reports from the industrial centres in the Eastern United States report that many plants which have been closed down are resuming activities. This applies particularly to the textile trades. The wool situation is showing improvement. The Ford and other industrial plants are resuming at Detroit. Cleveland, Chicago and other cities report similar conditions. The steel industry, on the the other hand, is for the first time experiencing dullness, although not acutely. The cost of living continues to decline, and recessions in commodity prices are the order. New York department stores report improved conditions since the turn of the year.

Oils, Industrial, Mining *and* Curb Securities

are covered most thoroughly and comprehensively in the

STONEHAM WEEKLY MARKET LETTER

which has been issued every Friday since 1903.

Write for copy.

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NET EARNINGS OF KAM. POWER CO. ARE LOWER

Affected by Expensive Labor, Supplies and High Taxation

MONTREAL. — Gross revenue of the Kaministiquia Power Company, Limited, for the year ending October 30 last shows slight improvement over the gross returns for the previous year, according to the financial statement issued this week, but this advantage is more than offset by the increase in operating costs. Gross revenue for the year amounts to $449,273, compared with $442,387 for the previous period. After deduction of operating costs, maintenance, depreciation and renewal reserve of $146,578 against $122,810, net revenue was $302,695 against $319,577 for the preceding year. Deducting fixed charges of $96,063 against $96,125, net income remains at $206,633 against $223,452. Dividends took up $175,992 against $175,972, leaving surplus of $30,642 against $47,470 in 1919.

Net revenue for the year was restricted by expensive labor, supplies and high taxation, together with the fact that maintenance work, which had been deferred during the war for want of men, was proceeded with. There was redeemed for sinking fund purposes $20,000 of mortgage debt.

Total assets are given at $5,234,634, against $5,153,234 the previous year. Property, plant, franchises, etc., are valued at $4,633,072 against $4,625,091. Cash is $103,312 against $30,414. Accounts receivable are $88,702 against $65,718.

ILLINOIS TRACTION IMPROVES POSITION

Preferred Dividends Earned 3½ Times in 1920—Outlook Bright

A favorable report of the operations of the Illinois Traction Company for the year 1920 has just been issued, and shows that the net surplus for the year over all interest and dividend requirements will be in the neighborhood of $1,150,000, which is a large increase over the previous year. It is pointed out that the preferred stock dividend was earned over three and one-half times in 1920, and present indications point to a substantial increase over this margin during the present year.

The Illinois Public Utilities Commission, a few weeks ago, granted the company a large number of rate increases in the gas, electric and street railway departments, which should result in a very favorable showing for the year 1921, as in the aggregate these increases will run into very large figures. The freight and passenger business on the interurban lines will also benefit in 1921 very substantially from increases in those departments. In addition the operating expenses on the entire system should show a substantial reduction during the current year, as the prices for materials used in public utility operation are showing a downward tendency in line with other commodities.

DOMINION FOUNDRIES

Work on New Mill Proceeding Favorably—Fair Volume of Orders

Work in connection with the new universal plate mill being erected by the Dominion Foundries & Steel, Limited, of Hamilton, is progressing favorably, according to report, and it should be ready for operation in a month's time. The foundry is well supplied with orders at fair prices just now, and despite the fact that little new business is being offered in the steel line at the present time the company is looking hopefully to a resumption of trade on a large scale in the near future.

"BELDING" PLANT TAKING MEDICINE WITH A NICE FACE

Made Full Allowance for Readjustment Losses in Inventories

AT ROCK BOTTOM

Still Has Fair Profits for the Year—Encouraging Statement for Textile Investors

By Resident Representative.

MONTREAL.—While much has been heard in regard to heavy losses in various industries through declines in prices of merchandise, investors have had very little opportunity so far to secure an estimate as to how far these losses were likely to deplete the earnings of the past year or the present year, or how far these losses would wipe out entirely the ordinary profits that would otherwise have been shown under normal conditions. It is quite true that in the case of the sugar refineries and the boot and shoe industry statements have been made that indicate the losses due to a slump in prices of the stock on hand, either in their manufactured or in their raw condition, would more than wipe out all the profits made during the past year. It is recognized, however, that both these industries were more than ordinarily hard hit by readjustment conditions. In so far as the textile industry is concerned, it is known that practicaly all the mills will have to face heavy losses on their inventories. Probably it is not too much to say that the declines that have been brought into effect during the past few months have cut down prices from 40 to 50 per cent. of what they were at their peak. All this will serve to cut down very greatly the profits that otherwise these mills would have made. Several of the textile companies do not close their year until March 31 next, and by that time, when the annual statement is made public, the readjustment process is likely to be fairly complete and the depreciations in the industry will enable investors to estimate to what extent the readjustment process has cut into the accumulated surplus or the year's profits of the various mills.

Earnings Down 39 per cent.

Some indication, however, was received this week in the annual statement of Belding-Corticelli, Limited, in their ninth annual report for the year ending November 30, 1920. The report itself may be briefly summarized as follows: The profits for the year amounted to $262,152 as compared with $429,260 one year ago, showing a decline of $167,108 or about 39 per cent. After deductions there remained applicable for common dividends, if such were being paid, the sum of $30,428 as compared with $210,325 in 1919 and $68,336 for the year 1918. This works out at about 4 per cent. on the common as compared with about 28 per cent. one year ago. As compared with the year 1918 the profits were almost as much, within $16,000, as the latter total amounted to $278,732.

As Showing "The Worst"

For the investor the principal question is not what the profits were of this company for the year, but to what extent the returns show the worst that can happen to this company. In other words, does the statement of profit and loss for the year, and the balance sheet with its valuation of inventories, allow for 100 per cent. of the loss the company is likely to suffer, or has suffered in the downward process of prices in which it is particularly interested? This question was asked the president of the company, A. O. Dawson, by THE FINANCIAL POST, and his reply will be reassuring, not only to investors in Belding-Corticelli, but to a great many in other textile securities He said:

"Taken our Medicine"

"We have taken our medicine to the full extent and are making as nice a face about it as we can We are not fooling ourselves by taking in goods at higher values than the current market price. Our inventories have been taken in at replacement values not at cost. Everything is at a rock bottom basis and the whole readjustment is allowed for in so far as we can do so."

Passed Readjustment Period

This simply means then, that Belding-Corticelli has passed through the readjustment period so far as those in direct touch with the company can judge, with comparatively little loss. Not only were their ordinary profits for 1920 not wiped out entirely by losses in inventories but they showed practically as large profits as in the year 1918. After wiping out all the arrears and preferred dividends steadily quarter by quarter they have been able in the readjustment period to accept their losses in inventories and to pay their current preferred dividends with a balance of some $30,000 to the good. This record may be considered as not only a satisfactory one for this company but as reassuring for many others in a similar line of business.

There is probably this difference to be considered: the silk business was one of the earliest to be struck, and readjustment probably is more advanced than in most industries.

The profit and loss account for the past three years compares as follows:

Profit and Loss.

	1920	1919	1918
Profits	$262,152	$429,260	$278,732
Less—			
Deb. int.	36,980	36,996	36,976
Sink. fund	14,790	14,790	14,790
Deprec.	32,886	39,756	31,235
Deb. des.	6,250	6,250	6,250
Off invent.	50,000	.....	.....
Net profits	$121,285	$331,468	$189,479
Prefd. divs.	90,856	121,142	121,142
Balance	$ 30,428	$210,325	$ 68,336
War tax	.....	80,000	.....
Balance	$ 30,428	$130,325	$ 68,336
Ins. res.	5,000	5,000	5,000
Balance	$ 25,428	$125,325	$ 63,336
Repl. res.	.....	75,000	25,000
Surplus	$ 25,428	$ 50,325	$ 38,336
Prev. bal.	338,136	287,811	249,475
P. & L. bal.	$363,565	$338,136	$287,811

Taking the working capital account and considering the fact that during the year additions were made to several properties to the value of $227,186, it is not surprising that the surplus of quick assets over current liabilities is somewhat smaller than last year, the amount comparing as $736,000 to $850,000. The item in each case were as follows:

Working Capital Account

Liquid Assets	1920	1919
Cash	$ 40,966	$ 52,800
Acc. and bills rec.	724,817	757,956
Inventories	1,504,215	639,585
Bonds for S. F.	66,010	22,559
	$2,536,009	$1,500,216
Current Liabilities—		
Acc. and bills pay.	$1,023,138	$ 558,226
Bank loans	510,000	.....
Acc. charges	51,150	61,346
Pref. div.	15,142	30,285
	$1,599,431	$ 649,876
Bal. work. cap.	$ 736,578	$ 850,340

"CAR" YEAR DEPENDS ON RAILWAY ORDERS

If These Come In Shortly Large Profits Certain—Improvement in Position

By Resident Representative.

MONTREAL.—Whether the year 1921 will be a better year for Canadian Car & Foundry Company than the past year will depend entirely on the time that the railways decide to place orders for equipment with the company. This was the position taken by the president of the company, W. W. Butler, at the annual meeting. He had looked for orders to come in months ago, but they were still delayed. It was recognized by all railway men that the railways were urgently in need of enormous quantities of rolling stock, and he himself ventured the opinion that the Canadian National Railways could not improve its position until it had secured equipment that would enable it to cope with the business offered.

The "Car" Company itself had a capacity of some 30,000 cars a year and last year had orders on hand for 7,000. On the other hand, they had been able to turn out only 1,700 cars owing to the prevalence of strikes, railroad embargoes, and other hindrances.

Referring to business the company has on hand Mr. Butler stated that at the present time this amounted to $14,000,000 as compared with $8,000,000 at the annual meeting one year ago and $26,000,000 at the beginning of the 1920-21 year.

Dealing with the improvement in the financial position of the company over an extended period, the president states that bonded indebtedness of the company had been reduced from $7,500,000 to $5,028,146 and on Steel Foundries from $5,000,000 to $2,729,675. The reserves amounted to $5,320,922 and there was now a surplus on hand of $6,243,603. The company was now considered the most complete car manufacturing enterprise in the world, and produced practically everything it needed. During the past year it has paid out in wages $7,097,214, a very considerable help towards providing employment for the workmen of Canada.

CONSOLIDATED SMELTERS

Ore receipts at Trail Smelter for the week ending January 21, totalled 6,621 tons, while for the first three weeks of the year the receipts totalled 19,769 tons.

SPANISH RIVER CO. INVOLVED IN INQUIRY

Applies for Timber Limit—Borrows Heavily on Strength of Understanding

Evidence of a highly interesting nature dealing with the negotiations between the Spanish River Pulp and Paper Mills and the Hon. G. H, Ferguson, Minister of Lands, Forests and Mines in the late provincial government, for a timber limit of an area of some 5,500 square miles was submitted before the Timber Investigation Commission in Toronto this week in the form of three letters which had been recently returned to the Government files. This correspondence, which was between the paper company and the former provincial minister, dealt with the application of the company for the limit on September 19, 1919, and the reply of Hon. Mr. Ferguson of September 25 of the same year to the effect the grant would be held in reserve until the exact area to be granted could be determined. Upon the strength of this understanding the company, according to the evidence submitted, wrote to its bankers asking them to purchase an issue of notes for $3,500,000 to finance the erection of a mill. The bankers expressed a willingness to accept the assurance of Mr. Ferguson, and stated that they could rely upon the act of an honorable government.

It will be recalled that shortly after the dates of the letters mentioned above the provincial Government went down to defeat, and the jurisdiction of the department passed out of Mr. Ferguson's hands. He at the time, however, is reported to have expressed confidence that his successor would take the same view in regard to the soundness of the proposition. So far no official action has been taken in handing the limits to the Spanish River Company.

Representatives of the paper company denied emphatically that the application had any connection with the election; it was made merely with the desire of securing an adequate supply of pulpwood in order to prolong the life of the industry. George R. Gray, a director, and another witness, stated that the shortage of pulpwood for the mills became apparent ten years ago, and they were approaching a stage when they had only a few years' cut left. The hearing is still proceeding.

WESTERN LUMBER

The November earnings statement of the Canadian Western Lumber Company, which includes the Columbia River Lumber Company, shows that lumber sold during the month totalled 4,263,550 ft., as compared with 6,748,723 ft. sold during the same month in 1919. The price realized was $180,580, as compared with $250,381 in 1919, the decrease being $69,801.

The aggregate amount of lumber sold during the eleven months ending with November was 101,156,593 ft., the price realized being $4,661,913, while for the corresponding eleven months in 1919, the lumber sold amounted to 106,288,947 ft., and the price realized $3,142,485.

C.P.R. OFFERS HIGH YIELD IN NEW YORK

Dividend Meeting Next Week—Company's Position Reviewed

A comparison of the principal dividend paying rails, as prepared by the Wall Street Journal, shows that with the single exception of Delaware & Hudson the highest current yield is offered by the Canadian Pacific, this yield being based on the closing prices in New York on Friday last. Canadian Pacific closed at 117⅝, at which price the yield is 8.50 per cent., compared with 8.91 per cent. for Delaware & Hudson, 8.28 per cent. for Union Pacific and 8 per cent. for Northern Pacific. The following table shows the yields of a group of representative dividend payers at Friday's close:

Canadian Pacific	117⅝	10	8.50
Delaware & Hudson	101	9	8.91
Union Pacific	120¾	10	8.28
Northern Pacific	87½	7	8.00
South. Pac. (minus rights price)	76⅝	6	7.83
Chicago North West	68½	5	7.29
Pennsylvania	41⅜	3	7.25
N. Y. Central	73	5	6.85
Lehigh Valley	53½	3½	6.54

The Wall Street Journal makes the following additional comment upon the position of the Canadian Pacific:

> Board of directors of Canadian Pacific will meet about February 8, when it is expected that the regular quarterly dividend will be declared on common as well as on preferred, maintaining the 10 per cent. rate.
>
> On December 31 Canadian Pacific closed at 116⅝, having recovered from a low of 109⅝, reached after running down during 1920 from 132¾, which was the opening price, and only 1¼ points under the high for the whole year.

THE STANDARD BANK OF CANADA

The Annual General Meeting of the Shareholders will be held at the Head Office of the Bank in Toronto, on Wednesday, the 23rd of February next, at 12 o'clock noon.

By order of the Board.
C. H. EASSON,
General Manager.

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HIGHER EARNINGS FOR TWIN CITY CO. DURING PAST YEAR

Outcome of Fare Advances Granted by Minneapolis and St. Paul

OUTLOOK IMPROVES

Company Still Affected by High Operating Costs — Revenue Not Sufficient to Finance Large Program

Largely as the result of fare increases granted during the past year, the annual statement of the Twin City Traction Company for the year ending December 31, 1920, shows an improvement in earnings over the previous year, the net income after charges and taxation standing at $999,099 compared with $788,352. On this basis earnings for 1920 after the deduction of preferred dividends were equal to $3.99 per share upon $22,000,000 common stock against $2.63 a share in 1919.

Dividends on common stock amounting to $660,000 were paid compared with $550,000 in 1919. The balance carried forward was $1,307,653, against $1,671,580 at the end of 1919. Gross operating revenue amounted to $12,986,406, which is an increase of 13.49 per cent. over the previous year, while the operating expenses amounted to $9,794,834, which is an increase of 15.98 per cent.

President Horace Lowry, in his report to the shareholders comments upon the improved position of the company. He points out that earnings after all expenses and a proper allowance for depreciation were sufficient to warrant the directors to declare a 3 per cent. dividend for the year upon the common stock, payable January 3, 1921. The regular quarterly dividends upon the preferred at the rate of 7 per cent. per annum were declared and paid. He reviewed the difficulties experienced by the company during the year in connection with labor, when as the result of arbitration proceedings the employees received an increase in wages of approximately 20 per cent. The Minneapolis Street Railway Company was granted the right to charge a 6-cent fare effective on and after August 16, and the St. Paul Railway Company was granted a similar right, effective after September 13. The increases in fares, he adds, which were granted to provide temporary relief only, did not afford the stability of earnings necessary to enable the company to finance any large construction programme. The condition of the company's property has been improved during the year notwithstanding, and it is intended to continue this improvement until the property is restored to as good condition as it was before the war.

The following is a comparative statement showing income for the past two years:

	1920	1919
Operating Revenue	$12,986,406	$11,442,444
Operating Expenses	9,794,834	8,445,058
Net Operat. Rev.	$ 3,191,571	$ 2,997,385
Taxes	1,161,506	1,126,338
Operating Income	$ 2,030,065	$ 1,871,047
Non-operating Income	84,331	51,034
Gross Income	$ 2,114,396	$ 1,922,081
Deductions	1,115,297	1,133,729
Net Income	$ 999,099	$ 788,352

The consolidated balance sheet shows resources totalling $58,190,304, against $57,696,401 for the previous year. Roadway and equipment are valued at $53,984,753, against $53,083,266 for 1919. Current assets total $1,756,748, against $2,226,564. There is a noticeable reduction of cash on hand from $1,132,330 for 1919 to $171,058, while the value of materials and supplies have advanced from $868,838 to $1,346,414. Current liabilities show an increase from $1,759,498 to $1,906,955.

BOOT AND SHOE INDUSTRY

A preliminary report on the leather boot and shoe industry in Canada for the year 1919, prepared by the Dominion Bureau of Statistics and dealing with the operations of 161 individual plants, shows that capital investment in the industry reached a total of $38,680,581, made up as follows: Land, buildings and fixtures, $6,249,620; machinery and tools, $3,313,224; materials on hand, and stocks in process, $20,384,545; and cash, trading and operating accounts, $8,733,192. There were some 15,341 persons engaged in the industry, and the sum of $13,250,744 was distributed as salaries and wages. Production reached a total of 19,160,749 pairs of boots and shoes, slippers and other kinds of footwear, with a value of $63,319,128.

TRAPPERS DISAPPOINTED

REGINA.—Word has reached Regina from the northern part of the province that many who went into the hinterland of Saskatchewan and Manitoba with the expectation of gathering in pelts and bringing out a harvest in the spring have returned with their traps in disgust. The absence of cold weather has resulted in fur-bearing animals neglecting to don their winter coats and hides are in poor condition and in some cases almost hairless. Even Bruin, it is reported, has not sought underground quarters and is still blundering through the bush hunting berries.

"CLEAN UP" BEFORE SHAREHOLDERS

Annual Meeting of Toronto Rails Postponed to March 2 and May Be Later

In the ordinary course of events the annual shareholders' meeting of the Toronto Railway Company would have been held this week, but in order that the complete proposal for the sale of the assets of the subsidiary companies to the Ontario Hydro-Electric System and the City of Toronto may be laid before the shareholders, the meeting has been postponed until March 2. In all probability a further postponement will be arranged at that time.

Sir Adam Beck has returned from England and the final negotiations for the sale of the company's assets to the Hydro can now be gone ahead with.

Meanwhile the followers of the stock market are discounting the possibility of early action in connection with the transfer of the balance of the company's assets to the city at a favorable figure, and have been buying all the stock offering. Under this stimulus the upward incline has been sharp, the highest point reached to date being 69½. The turnover has been exceptionally heavy, and on Saturday last 2,894 shares figured in the day's transactions.

DULUTH AFFECTED BY OPERATING COSTS

Net Income Decreases 29.51 Per Cent.—Higher Fares Refused

The increasing costs of operation during the year 1920 together with the fact that the company was not successful in securing an increase in rates is reflected in the showing of the Duluth Superior Traction Company for the year ending December 31 last, the financial statement just issued showing a decrease of $13,549 or .07 per cent. in gross revenue, while net income decreased $30,920, or 29.51 per cent., as compared with 1919. Total operating revenue amounted to $1,919,579, against operating expenses of $1,585,900, leaving net revenue from operation amounting to $333,678 against $364,028 for the previous year. Net income transferred to profit and loss after general expenses totalled $73,848 compared with $104,769.

President A. M. Robertson points out that the increase in operating expenses was due to the continued high cost during the year of materials and supplies used in the maintenance and operation of the property, and also to the necessity of making a further increase in wages to employees. Two ordinances submitted to the electorate of the cities for an increase in fares were defeated. The third effort along this line instituted at the beginning of the present year was again defeated. He added:

> Notwithstanding our repeated failures to obtain an increase of fare in the city of Duluth, it is believed that the people generally fully realize the necessity of the company being granted an increase in revenue and that the efforts so far made have been educational and will result in permanent relief being granted in some form during the ensuing year, which will solve to some extent at least the important problems now confronting both the city and its street railway company.

No dividends were declared or paid upon the common capital stock of the company. Regular quarterly dividends of $1.00 per share upon the preferred capital stock have been declared and paid. The following table shows the distribution of net earnings during the past two years:

	1920	1919
Bal. for'd	$ 90,855	$101,208
From inc. acc't	78,848	104,769
Miscellaneous	3,716	7,455
	$168,420	$213,432
Dividends	60,000	60,000
Sinking fund	28,248	29,044
Val. expense	16,097	......
Add to property	12,469	17,728
Disc. on bonds	3,200	3,300
Miscellaneous	15,807	12,504
Balance	32,598	90,856
	$168,420	$213,432

PROFITS OF BURT CO. SURPASS ALL FORMER RECORDS

Annual Statement Shows Remarkable Record of Prosperity

PROMISING OUTLOOK

New Year Opens With Substantial Volume of Orders on Hand—Look for Satisfactory Business

In view of the fact that the profits of the F. N. Burt Company, Limited, for the year recently closed, which were arrived at after writing down the inventories to replacement values, and charging the shrinkage against the year's operations, are the largest in the company's history, indicates to some extent the remarkable prosperity enjoyed by this company in the interval following the war. The altered aspect of business during the later months of the year affected this incoming business during the last quarter in some measure, but shareholders will find comfort in the statement of President S. J. Moore that the company enters the year 1921 with a substantial volume of orders on hand and looks for a satisfactory volume of profitable business throughout the year.

The financial statement recently forwarded to shareholders shows net profits for the past year amounting to $842,712, as compared with $795,715 for the previous year. Together with a balance of $713,044 carried forward from the previous year there was available for distribution the sum of $1,430,669, compared with $1,113,083. From this total the sum of $119,754 was applied in preferred dividends, $94,378 in common dividends, $208,477 transferred to realty and plant reserve, and $23,201 written off patents.

The profit and loss account of the past two years compares as follows:

Profit and Loss

	1920	1919
Bal. for'd	$713,044	$376,783
Less taxes	125,087	......
Profits	842,712	795,715
	$1,430,669	$1,113,083
Pref. dividend	119,754	136,272
Com. dividend	94,378	62,276
Trans. to realty and plant reserve	208,477	178,377
Written off	23,201	23,112
	$445,811	$400,038
Balance	$948,857	$713,004

President Moore, in his report, calls attention to the fact that in accordance with the policy adopted a year ago, the balance in the profit and loss account is subject to deduction of Federal taxes on the 1920 profits, the amount of which cannot be accurately determined as yet. He refers to the company's dividend record during the year, and states that commencing with the October 1 payment the rate of dividend on the common stock was increased from 8 per cent. to 10 per cent., and dividend payments on both preferred and common stocks, which aggregated $214,132, comprised about one-third of profits. Shareholders derived a special advantage from the fact that the dividends were all paid in New York funds. Additional preference shares to the amount of $420,200 were converted into common shares and to date a total of $528,700 preference shares have been converted.

The balance sheet shows assets totalling $5,103,296 compared with $4,771,089 a year ago. Inventories and liquid assets now stand at $1,938,003 as against $1,671,710. Real estate remains unchanged in valuation at $879,030, while plant, machinery and equipment have increased from $1,331,982 to $1,431,696. Patents and good-will now stand at $831,322. Accounts and bills payable show a reduction from $626,221 to $559,948. The reserve fund shows a substantial increase, amounting to $1,723,148, compared with $1,244,868 a year ago.

ONTARIO STEEL PRODUCTS

Prospects for Business Are Brighter —Stock Moves Up

News on the operation of Ontario Steel Products, Limited, is favorable, and indicates that there is every prospect for a decided improvement in the near future. At a recent meeting of the directors of the company it was reported that more orders were coming in and business appeared to be looking brighter in every way. The plants at Chatham and Gananoque are said to be running at considerably more than half capacity, and there does not seem to be any reason to expect a change in the dividend policy. The company is now paying 8 per cent. While the stock is never active on the Toronto exchange the price of this security has appreciated very considerably since the beginning of the year, partially in response to the generally improved tone of the markets. At the present price of 68 there is a return to shareholders of 11.7 per cent.

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Also cabin and ice house, pig pen, silo, root house, manure pit and cistern; large new barn 34 x 54, finished in Georgia pine, cement floors and electric lighting. Barn contains large garage, creamery and granary, six stalls, with outside box stalls and implement shed. Two very latest electric-lighted chicken coops 20 x 80 ft. each, with cement floors, trap nests, glass and sash frames, etc. Land is sandy loam.

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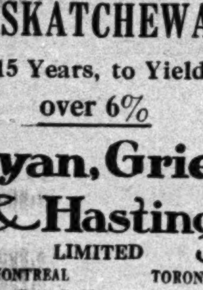

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SOME BIG THINGS FOR PORCUPINE IN THE SPRING

Progress Is Materially Retarded at the Present Time

PROSPECTING IN LAND

Extensive Operations Under Plains of Porcupine—Tax Issue Promises To Be Bone of Contention

By Resident Representative.

COBALT.—They are predicting great things for the Porcupine camp in the spring. Progress is still materially retarded but only a sufficient supply of power stands, impeding this contemplated boom. It has been definitely established that the water supply is sufficient to ensure that the present power production will be maintained until spring. J. H. Black, manager of the Northern Canada Power Company, is the authority for this. This means that the present production of the camp can be maintained until the spring freshets.

The Dome is now treating 500 tons daily but it is understood that plans are complete to put the mine at capacity, 1,500 tons, in the spring. Ore is now being taken from six drift faces.

The Keora is creating quite a furore at present. This property is somewhat removed from the producing area of Porcupine. Diamond drill cores show promising results and the underground work is now nearing the point where it will be known if the large ore bodies contain in commercial quantities the values shown in the cores.

Another Merger Mooted

The promising Three Nations area of the Porcupine camp may be involved in a merger There is a plan on foot to unite the Three Nations, La Palme and Cavana Veteran lot, which would give a property about 500 acres in extent. In the early days of the camp spectacular samples were taken out but little development work was done.

Other properties which many eager ones want to see get under way are Gold Reef, holding 240 acres near the Keora, Schumacher and Porcupine V.N.T.

Some details have been made public of that very interesting operation launched last summer to explore under the great sand plains of Porcupine. These plains are west of the producing area of the camp and a syndicate of English capitalists undertook to find out if the ore-producing formation extended under the sand. This they attempted by diamond drill and the results are said to have been highly encouraging.

Gold in the Sand

A total of about 6,000 feet of drilling was done. Six holes were completed and three others started but abandoned because of the great thickness of the sand and the difficulty of directing the drill when boulders were encountered. The holes completed, however, showed a formation which encourages the belief that gold will be found. The cores show porphyry and greenstone schist and also the presence of quartz veins. In no case did these veins carry commercial gold values. Before starting work the syndicate optioned a number of claims and as a result of the exploration may retain some of them and conduct further explorations by drill and shaft sinking.

The great circular gold body of Northern Ontario, which extends from Shining Tree to Larder Lake, is being extended. The Abitibi property, 14 miles east of the Reddick of the Associated Gold Fields, is to open. It is just across the Quebec boundary. Homer Cote, of Cobalt, will have charge.

The Taxation Issue

The mining centres are giving most of their attention to Premier Drury's railway policy at present. There are indications that when this passes attention will focus on the proposal to increase the mine taxes. As one mining paper puts it, "It can be said that the mining industry, which at best is a speculative industry operating on wasting assets, will not tamely submit to being further milked."

The Bidgood at Kirkland Lake is enlarging its plant and the Kitchener-Kirkland, in the Goldfish section, has started up.

FOX FARMING IN WEST

REGINA.—Saskatchewan has one silver black fox farm and it is thriving. Last week three pairs of 1920 foxes were sold for a total of $6,000 to an Alberta syndicate. The fox farm is located a few miles out of Regina and now has a total of 85 foxes.

DRILLING SASKATCHEWAN

Imperial Oil Company Prospecting Near Rush Lake

By Resident Representative.

SWIFT CURRENT.—Aided by the open weather, drilling for oil is now going ahead by the Imperial Oil Company near Rush Lake, about 45 miles northeast of Swift Current. A real test for oil or gas is to be made by the company before the operations are suspended. The hole in the ground is to be sunk 2,500 feet. If the limit depth is found necessary operations will be continued until late next fall.

The well being sunk by the Imperial Co. is the second in the district, the first one—started by the Great West Natural Gas Corporation, which holds franchises for supplying Swift Current, Regina and Moose Jaw with gas—had to be abandoned at 280 feet owing to the bore being deflected.

OUTLOOK IMPROVES FOR PRESSED METALS

New Process of Manufacturing Reduces Details of Operation

Tedious delays in connection with the construction of the plant of the Pressed Metals Company of Canada at Marysville, Mich., during the past year seriously affected the company's operations and revenue, with the result that the statement for the year's operations does not show any profits. At a meeting of shareholders of the company in Toronto last week ample assurance was obtained from the management that the company was now in better shape, and that the outlook for the present year was accordingly more hopeful. Progress is being made in connection with the process of making bushings which is the company's principal product.

J. W. Leighton, inventor of the bushings, explained to the meeting that he had invented a new process which he claimed was more satisfactory in that it reduced the details of the process materially. According to tests so far conducted, he added, the process made for an almost perfect product as compared with heavy rejections through defects under the old method. This improvement has been reached since the opening of the factory at Marysville, Mich., last autumn. These bushings were being used by the Ford Company of Canada, and there was reason to believe that there would be a good demand from other motor car manufacturers when the industry revived.

SOCKEYE SALMON PACK ON FRASER

Limited Seeding of Spawning Grounds in 1917 Will Be Reflected in 1921 Run

OTTAWA.—In 1920 the Fraser River canneries contributed 44,598 cases of sockeye to the British Columbia pack. This was one of what are known as the "lean" years, in comparison with the "big" years, which, formerly, occurred every four years. In 1916, four years previous, the sockeye catch of Canadian fishermen on the Fraser river was but 32,146 cases, showing a considerable improvement for a comparative year.

According to precedent, 1921 should be a "big run" year, but, owing to the small run of 1917, due to the inability of the fish to reach the spawning beds in 1913, following the rock slide into the Fraser river in that year, it is difficult to estimate what the run may be. In 1913 the Fraser River pack in Canada was 719,796 cases, whereas, due to the above handicap, but 148,164 cases of sockeye were put up in 1917. Mr. J. P. Babcock, Assistant Commissioner of Fisheries of British Columbia, and a member of the Commission of Conservation, speaking at the meeting of the Commission in November, 1917, stated that "in 1917 there were 2,600 gill nets fishing as hard as they could, and there was not an available point in the Puget Sound district in which they could drive a trap or use a purse seine that they were not doing so. They are now trying to use gill nets in the clear waters there. . . . So great a proportion of the run that sought the Fraser watershed in 1917 was taken by the fishermen that the spawning beds were no better seeded that year than in recent "off" years. The spawning of 1917 cannot produce greater results in 1921 than were produced by the spawning of 1913 (148,164 cases in 1917), and there can be little hope that it will produce a result even approximately as great."

CONSUMERS' GAS

An additional block of 12,786 shares of stock of the Consumers' Gas Company, of Toronto, of par value $639,300, was listed on the Toronto stock exchange last week. This comprises the additional stock issue offered by this company some weeks ago, and which found a ready market.

SALE OF U.S. COMPANY CUT DOWN REVENUE

Explanation of Decreased Income of Guarantee Co.—Risks in Force $147,373,705

By Resident Representative.

MONTREAL.—The annual statement of the Guarantee Company of North America shows a decrease in income, the total being $561,174, as compared with $711,448 for the year before, and $498,870 in 1918. This decrease in revenue came in spite of a slight increase in premiums received by the company from $391,764 to $393,153, the expenses amounting to $219,314, as compared with $200,207. In dealing with the last feature of the year's business in his report to the shareholders, the president, H. E. Rawlings, states that the company "turned over a very large volume of risks, of which there is a fair increase in the amount standing in force, entailing, however, an increase in the expense of operations of the company, but not inconsistent with the advance of costs generally. The increase in the amount of losses reported and claims paid or provided for, in comparison to preceding years is somewhat a sign of the times and is as a result of defalcations of smaller and greater amounts by various classifications of fidelity or surety hazard in Canada and the United States."

The difference in the amount of income as between the years ending 1919 and 1920 is largely explained by the sale of the controlling shares of the United States Guarantee Company, of New York, as referred to in a previous annual report, with which company mutually pleasant relations and satisfactory reinsurance arrangements are said to continue as heretofore.

The profit and loss account for the past three years compares as follows:

Income Account

	1920.	1919.	1918.
Premiums	$393,153	$391,764	$374,634
Int., etc.	168,021	146,480	117,714
P. & L. bal.	......	173,203	......
Tot. income	$561,174	$711,443	$492,347
Less:			
P. & L. bal.	28,062	......	......
Expenses	219,314	200,207	202,813
Re-insurance	49,960	56,293	32,554
Losses paid	62,633	67,955	57,580
Other exps.	50,934	35,177	30,682
Patriotic, etc.	10,388	5,968	8,443
Dividends	67,012	71,581	36,552
Tot. deduct	$488,306	$437,183	$368,626
Balance	172,868	274,265	124,721

Efficiently Conducted

The annual statement refers to a report issued by the Insurance Department of the State of New York after an examination of the company covering a period of 9 months, ending September 30, 1920, in which it is declared that the examiner is of the opinion that "the affairs of the company are being efficiently and conservatively conducted and ample provision is being made for all liabilities, and that the interest of its policyholders are being properly safeguarded."

The total amount of risks in force less re-insurance on December 31, 1920, was $147,373,705, while the total amount of claims paid and provided for since the company was established in 1872 up to the end of 1920 was $3,106,724. The assets of the company show a surplus for policyholders of $2,108,433 as compared with $2,058,529 one year ago.

A foreign trade amounting to over £1,000,000 has been transacted by British commercial aeroplane service since its inception in August, 1919. Exports by air route from Great Britain totalled £344,876, while imports amounted to £685,054 to end of Noverber, 1920.

MINING STOCK QUOTATIONS

Week ending Feb. 1.

	High	Low	Close	Sales
Adanac	2⅛	2	2⅛	21200
Apex	2⅜	2	2	6600
Atlas	25	15½	22	57400
Bailey	3⅝	3¼	3½	20500
Beaver	37½	35¼	37	22900
Cons. Smelt.	21	18½	2 ¼	2091
Coniagas	1.95	1.85	1.95	800
Crown Res.	20	18	18	800
Dome Ext.	50	45	45	200
Dome Lake.	3¼	3	3¼	3500
Dome Mines	14.50	13.25	14.25	2315
Gifford	1¼	1⅛	1⅛	11000
Gold Reef	3¼	3⅛	3¼	32000
Hargraves	3	2¼	2½	9500
Hollinger	6.71	6.40	6.64	7595
Hunton	8½	..	..	2000
Inspiration	3½	..	..	1000
Keora	23½	21½	23	60600
Kirk. Lake	50	47	49½	11050
La Rose	32	31	32	2000
Lake Shore	1.23	1.20	1.23	7050
McKinley	30	28	30	2700
McIntyre	1.87	1.85	1.86	8960
Min. Corp.	1.10	1.08	1.08	3300
Newray	5¾	5¼	5¼	1640
Nipissing	9.00	8.65	8.65	1660
Peter. Lake.	10½	9½	10	5250
Porc. Imp.	½	..	..	10000
Porc. Crown	22	21	21	6100
Porc. Tisdale	1¼	..	..	5000
Schumacher	25¾	24½	25	15200
Silver Leaf.	2¼	..	..	500
Teck Hughes	11	10¼	10½	4400
Timiskaming	25	24	25	1300
Thom. Krist.	7½	6⅞	7½	5500
Trethewey	19¼	18½	18½	8800
V. N. T.	23	21	21	11200
West Dome	10	9	9¾	58160
Wasapika	3	..	..	2000
West Tree	5½	..	..	8000

M. S. WHEELWRIGHT & CO.
LIMITED
CANADIAN INVESTMENT SECURITIES
TRANSPORTATION BLDG.
MONTREAL
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TO PROTECT DEPENDENT ONES

is the bounden duty of every man, and this is best done by means of suitable Life Insurance. Insurance in its most attractive form is offered under the Limited Payment Policies issued by The Great-West Life. Not only is adequate provision made for dependents, but the insured is able to provide for his own future as well.

The cost—profit returns—and every other feature of this plan makes it a most desirable form of Insurance. Ask for the leaflet, "Common Questions Briefly Answered," giving interesting information.

The Great-West Life Assurance Co.
Dept. "G" *Head Office: Winnipeg*

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NINE Branches Throughout Canada
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In this time of non-employment and social unrest great care should be taken to prevent loss from robbery.

For the storing of valuables, important papers, in the office or at home, our steel fire-proof, burglar-proof products are of unequalled value.

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Commercial Wirework of all kinds.
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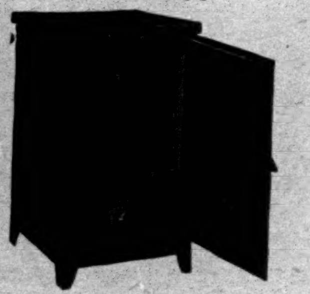

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FOR SALE—BUSINESS BLOCK

I have for sale a Solid Brick Business Block, of three storeys, full basement. Built of first-class material. Completed in January, 1920. Located in the business part of the city and cost $65,000.00. I would sell for $45,000.00. Cash $31,000.00. Balance covered by mortgage @ 8% per annum. Produces now over 10% net. Will increase, as one lease provides for gradual increase in the next two years, which will bring revenue to 12% net.

Full particulars from
M. BARTHELEMY
10133 99th Street, Edmonton, Alberta

TO INSURE WOOD SUPPLY FOR PAPER

That is Importation Feature of Reforestation Policy in Ontario

Assurance that the Ontario Government appreciates fully the importance of the paper and timber industries of the province and that steps are being taken looking to the continuance of a supply of forest products for their maintenance was given by Hon. Beniah Bowman, Minister of Lands and Forests in the Drury cabinet, in an address to the Toronto Board of Trade this week. He mentioned particularly that the paper exports had been a very important factor in preventing Canada's adverse exchange rate with the United States becoming much higher even than it has been.

An interesting forecast of legislation to be brought down at the present session in connection with reforestation plans was given by Mr. Bowman. It is the intention to set apart certain lands which are not suitable for agricultural purposes and plant trees thereon. Powers in this connection will be wide enough to take over lands now held by private parties which are not suitable for farming purposes. Also opportunities will be given to private parties or interests to buy lands suitable for tree planting from the Government at very reasonable prices and the Government will co-operate in turning them into productive forest areas.

The steps being taken by the Government to prevent fire loss were outlined and some of the difficulties explained. Particular attention is being paid to lands which have been burned over once and on which new growth has commenced because a second burning has the effect of destroying to a very large extent potential forest growth.

MONEY BANKING AND EXCHANGE

BANKERS LOOK TO THE FUTURE IN CAUTIOUS SPIRIT

Some Impressions From Statements at Annual Meetings

CONDITIONS SETTLING

A More Stable Basis for Business Looked for by Spring—Banks Planning to Assist in Foreign Trade

It becomes increasingly clear with each succeeding pronouncement from the bank "annuals" that the attitude of influential Canadian bankers toward business will be one of caution, and that this caution is likely to be extended well into 1921. Every Canadian bank executive who has spoken since the commencement of the year has counselled conservatism but at the same time has expressed the utmost hopefulness of the ultimate recovery of the present business depression and credit restrictions by reason of Canada's natural recuperative powers in her tremendous potentialities.

H. B. Shaw, general manager of the Union Bank of Canada, appears very aptly to have summed up the attitude of Canadian bankers toward domestic business when he said: "There is, unfortunately, still a hope in the minds of some that the recession of prices is temporary and that, through curtailed production, prices will again return. We think this is a mistaken idea and shall do our best to prevent the holding of surplus stocks in the hope of higher prices."

As regards the Canadian business situation clearly the determination is to bring about a consistent and regular deflation. To bring about an enlarged market for Canadian products, however, it is at once evident that Canadian bankers are increasingly sympathetic toward the extension of foreign trade, and in this decision no doubt business men will find ready co-operation from the banks.

Problems of Exchange

Sir John Aird, general manager of the Bank of Commerce, has found it unfortunate that exchange difficulties should have arisen just at a time when strong efforts were being made to extend the Dominion's trade abroad; nor does he find the situation rendered any more easy of solution by the high level in Canada of all production costs. He therefore reaches the conclusion that no material extension of our foreign trade can be brought about until there is some adjustment of the present situation. He ventures the opinion, however, that the "instability which prices have manifested during recent months" cannot be of long duration and expresses the hope that before the winter has run its course it may be a thing of the past.

There are many no doubt who will interpret Sir John Aird's remarks as indicating his belief that the first six months of 1921 will be the more serious from the business man's viewpoint. This interpretation will have regard for the fact that the reopening of navigation invariably stimulates Canadian trade and commerce, and that the satisfactory planting of the new crop will accomplish much toward the final business adjustment.

More Healthy Conditions

Thos. F. How, general manager of the Bank of Toronto, while fully cognizant of the trying times through which business the world over—and with particular reference to our own country—is passing was reassuring with his statement that "in general we are working to a more reasonable and healthy condition of business which is greatly to be desired and in the best interests not only of the banks but all classes of the community." W. G. Gooderham, president of the Bank of Toronto, emphasized that while it has been banking policy here to reduce credits it was nevertheless the wish that the readjustment in prices should take place gradually.

Unnecessary Pessimism

E. L. Pease, vice-president of the Royal Bank of Canada, foreshadows that the banks will play no small part in the new period toward which Canadian business interests are hopefully looking, after the present readjustment period has been satisfactorily passed. "While I feel that casual optimism is out of place and that we ought all to recognize the fact that business is being brought down to a new and sound basis I think the undue pessimism is just as bad as the other extreme," he says, adding, "Whatever the difficulties we have to face in the near future, the fundamentals of Canada's position are sound, granted that the Canadian people work hard and exercise reasonable economy." Sir Herbert Holt, the president, shows the Royal Bank's sympathetic policy toward the furtherance of Canadian business abroad when he says: "Only by increasing the sale of Canadian commodities can we avoid increasing our foreign indebtedness; never, even in war time, was it so essential to increase our exports."

IMPERIAL

The Imperial Bank has purchased the best business corner in Harrow, Ont., and plans to erect a new branch shortly.

HAMILTON

A branch of the Bank of Hamilton was opened during the week at Hamilton, to be known as the King and Sanford branch, and is in charge of F. W. Pottenger as manager.

MERCHANTS

J. G. Rappell, manager of the South Hill branch of the Merchants Bank, has been transferred to the branch at Eaton, Sask. J. E. Clarkin, of the Moose Jaw branch, has been appointed manager at South Hill.

NOVA SCOTIA

The Bank of Nova Scotia announces the establishing of a branch at the southwest corner of Avenue Road and St. Clair Avenue, Toronto. This is the twenty-third branch of the bank to be established in Toronto.

PROVINCIAL

The Provincial Bank will shortly move into its new offices at Loiselleville, Ont. The new building will be considerably larger than that destroyed by fire some weeks ago.

MERCHANTS

C. F. MacKenzie of Galt has been appointed manager of the new east end branch of the Merchants Bank at London, Ont. Prior to his departure from Galt Mr. MacKenzie was presented with a gold watch and club bag by his friends.

STANDARD

The Standard Bank has opened a branch in St. John, N.B., at the corner of King and Germain Streets. W. L. Caldow, formerly of the head office staff, Toronto, is manager.

STERLING

J. B. Thompson, who has been manager of the Newtonbrook branch of the Sterling Bank, has been transferred to Minesing as manager.

H. E. Laverty, of the head office staff, has been appointed acting manager at Newtonbrook.

H. P. Hayes has taken over the management of the Mille Roches branch of the Sterling Bank. C. F. Perkin, who was acting manager there has returned to Cornwall to his position as accountant.

L. B. Lett, has been appointed acting manager at Queensville.

Weekly Bank Clearings

(In comparison with same week last year)

(Eastern Cities)

	Jan. 27, 1921.	Change	%
Toronto	$ 86,151,727—	$20,253,617	19.0
Montreal	101,621,678—	28,223,445	21.7
Ottawa	5,698,457—	2,120,118	27.1
Hamilton	5,152,976—	748,194	12.6
Quebec	6,154,719—	1	.0
Halifax	3,838,564+	174,471	4.7
St. John	2,993,242—	80,468	2.6
London	2,786,768—	355,458	11.3
Windsor	2,373,916—	158,620	6.2
Brantford	1,152,077—	136,966	10.6
Kitchener	915,567—	165,012	15.2
Sherbrooke	1,058,663+	153,719	17.0
Peterboro'	824,595+	92.540	12.6
Total East	$220,722,943—	$51,821,899	19.0
Moncton	1,194,225		

(Western Cities)

	Jan. 27, 1921.	Change	%
Winnipeg	$ 49,574,950+	$ 7,683,599	18.3
Vancouver	12,632,023—	2,400,609	15.9
Calgary	7,069,249—	265.661	3.6
Edmonton	4,342,362—	231,012	5.0
Regina	3,775,695+	619,302	19.6
Victoria	2,188.718—	153,238	6.4
Saskatoon	1,525,391—	26,486	1.7
Moose Jaw	1,355,607—	21,998	1.6
Fort William	880.236+	56,542	6.8
Brandon	626,011+	90,784	16.9
New Westminster	588,505+	16,417	2.8
Lethbridge	568,363—	60,435	9.6
Medicine Hat	454,404+	50,265	12.4
Prince Albert	321,593—	46,144	12.5
Total West	$ 85,930,107+	$ 5,310,326	6.5
Grand Total	$306,653,050—	46,511,563	13.1
Yr. to date	$1,392,986,488—	$24,619,685	1.7

MONTHLY BANK CLEARINGS

(In comparison with same month last year)

(Eastern Cities)

	Jan., 1921.	Change.	%
Toronto	$414,365,319—	$ 33,608,918	7.5
Montreal	494,702,024—	119,325,172	19.4
Hamilton	26,290,242—	2,878,157	9.8
Quebec	25,915,954—	1,533,155	5.5
Halifax	17,287,952—	4,200,907	19.5
St. John	12,929,720—	2,007,447	13.4
London	15.820,624—	157,387	.9
Windsor	12,685,093+	1,865,596	17.2
Brantford	6,032,193+	345,041	6.0
Kitchener	4,059,420—	1,033,459	20.2
Sherbrooke	4,805,860—	180,040	3.6
Peterboro'	3,888,379+	26,163	.6
Total	$1,038,782,780—	$162,687,842	13.5
Moncton	4,178.287		
Ottawa	35,298,519		

(Western Cities)

	Jan., 1921.	Change.	%
Winnipeg	$234,762,893+	$ 27,799,161	13.4
Vancouver	53,553,665—	7,145,182	10.9
Calgary	33,866,122—	3,772,079	10.0
Edmonton	22,178,390—	2,309,469	9.4
Regina	17,621,204—	507,915	2.8
Saskatoon	8,455,627—	317,685	3.6
Moose Jaw	6,777,067—	283,823	4.0
Lethbridge	3,023,975—	314.679	9.4
Fort William	4,267,983+	1,147,544	36.7
New Westminster	2,432,749—	118,536	4.6
Brandon	3,025,132—	104,307	3.3
Medicine Hat	2,082,823—	159,073	7.0
Prince Albert	1,996,653—	93,376	4.4
Total	$394,044,282+	$13,820,581	36.3
Grand Total	$1,432,827,062—	$148,867,261	18.7

TRUST COMPANIES ASK LARGER POWERS

Desire to Accept More Deposits in Order to Increase Mortgage Funds

The annual meetings of the National Trust Company and the Toronto General Trusts Company were held on Wednesday and the review of the situation regarding general business conditions and the outlook for the trust companies in Canada will be read with interest by holders of securities in such concerns. References to the outlook for mortgage funds by General Manager W. E. Rundle, of the National Trust, and General Manager A. D. Langmuir, of the Toronto General, were of particular interest in view of the problem of finding reasonably priced money to encourage the resumption of building activities throughout the country. Both Mr. Langmuir and Mr. Rundle expressed the opinion that the trust companies should be given enlarged powers to accept public deposits.

Three new directors were elected to the National Trust board, namely, Leighton McCarthy, K.C., Toronto; Carl Riordon, Montreal, and Edward Fitzgerald, Winnipeg. Herbert C. Cox, who has been a director for several years, was made vice-president. Another important change was the elevation to the position of director of the members of the Winnipeg advisory board of the company, comprising Sir Douglas Cameron, K.C.M.G., A. McT. Campbell, Kenneth MacKenzie and George W. Allan, K.C., M.P., all of Winnipeg. The three new directors first named replace Justice Britton, Elias Rogers and Alexander Bruce, K. C., who passed away during the year.

EXCHANGE MARKET

Fails to Pursue Vigorous Forward Movement of Previous Week

Sterling exchange developed reactionary tendencies this week, moving down from $3.88½ at the opening to $3.85 at the close. At one time sterling declined to $3.83, making partial recovery later. Francs too failed to pursue the vigorous movement of the previous week, moving from 13.92 to 14.31. New York funds continued active, and there was little change in the opening and closing quotations, although there was considerable variety during the course of the week. The following are the fluctuations:

New York Funds

Jan. 27.—New York Funds opened at 11½, sales at 10½, 10⅝, 10½, and closing at 11. At Montreal one sale took place at 10 the lowest level since Oct. 11.

Jan. 28.—Funds opened at 11 bid, sold up to 11½, 11 7-16, 12, and back to 11⅞ at close.

Jan. 29.—Opened at 11⅞, sold up to 12 1-16 and back to 12 at close.

Jan. 31.—Market dull throughout the day, premium moving down from 12 to 11½ at close.

Feb. 1.—Funds erratic, sales at 12⅞, 13, 12¾, 12 5-16, 12⅝, 12, 11 15-16 and 11⅞ bid at close.

Feb. 2—Funds opened at 11⅞, sales at 12, 11⅝ and 11⅞.

Sterling and Francs.

	Sterling		Francs	
	Demand	Cables	Demand	Cables
Jan. 27	$3.88½	$3.89¼	13.92	13.90
Jan. 28	3.85¾	3.86½	14.26	14.24
Jan. 29	3.86	3.86¾	14.24	14.22
Jan. 31	3.84¾	3.85½	13.92	13.90
Feb. 1	3.83	3.83¾	14.53	14.51
Feb. 2	3.85	3.85¾	14.31	14.29

Surcharge Fixed

The Railway Board has fixed the rate of exchange on shipments of freight between points in Canada and the United States at 11⅞ per cent. for the period ending February 14. The surcharge will be 7 per cent.

HOCHELAGA

The Banque D'Hochelaga announces the opening of a new branch at St. Georges Beauce, Quebec, under the management of Elzear Cote; and another at Beloeil, Quebec, under the management of J. R. A. Menard. This latter branch was formerly a sub-agency controlled by the St. Hyacinthe branch.

ROYAL

George Mair, manager of the Royal Bank of Canada at Windsor since 1912, and from 1893 to that date manager there of the Traders' Bank branch, has retired. He has been succeeded by Charles W. Morris, manager of the Royal Bank branch at Sudbury up to April last, and since then assistant manager at Windsor.

MONTREAL

The Bank of Montreal announces the following appointments: A. G. McCosh manager at Kelowna; P. DuMoulin, manager at Kelowna, appointed manager at Kingston; G. B. Gerrard, manager at 140 St. James St., appointed as assistant manager at Montreal; R. Broughton, appointed as assistant manager at Montreal, in charge of office administration; A. A. Stewart, appointed acting manager at 140 St. James St.; F. B. Carter, acting sub-agent at Whitney Pier.

Cables from Mexico City state that the Mexican Government is coining gold while the coinage of silver has been reduced to a minimum. At present the Government has 251,000,000 pesos in gold in circulation and 50,000,000 in silver.

WE announce to our clientele and the general public the admission to partnership of

Mr. Russell Gordon Dingman,

manager of our Bond Department.

F. H. Deacon & Co.
Members of Toronto Stock Exchange
INVESTMENTS
75 Bay Street, - Toronto
F. H. DEACON J. C. FRASER

National Trust Company
Limited

PROFIT AND LOSS ACCOUNT

For Year ending 31st December, 1920.

Balance 31st December, 1919	$ 59,623.15
Premium on New Stock Issue	375,000.00
Net Profits for the year, after deducting cost of Management, Directors' and Auditors' Fees, Contingencies, Etc.	252,825.96
	$687,449.11

APPROPRIATED AS FOLLOWS:—

Quarterly Dividends: Nos. 81 and 82 at the rate of 10% per annum; Nos. 83 and 84 at the rate of 12% per annum	$185,231.80
Transferred to Reserve Fund	400,000.00
To provide for Dominion Income War Tax	17,800.00
Balance Carried Forward	84,417.31
	$687,449.11

Balance Sheet, 31st December, 1920.

ASSETS

CAPITAL ACCOUNT:		
Office Premises and Safe Deposit Vaults at Toronto, Montreal, Winnipeg, Regina, Saskatoon and Edmonton	$ 430,739.59	
Real Estate held for sale under mortgage foreclosure	77,829.34	
Rents due and accrued	4,523.46	
Mortgages—Principal, Interest due and accrued	2,007,225.42	
Loans on Stocks and Bonds	280,891.93	
Securities — Dominion of Canada, Provinces of Canada, Canadian Municipalities, School District Debentures and Other Bonds, Debentures and Debenture Stocks	632,425.20	
Stocks	303,700.43	
Cash in Chartered Banks	317,485.32	
Cash on Hand	6,741.40	
Advances to Estates and Trusts	215,652.37	
		4,277,214.46
GUARANTEED TRUST ACCOUNT:		
Mortgages — Principal, Interest due and accrued	$4,084,215.64	
Loans on Bonds	346,400.00	
Securities — Dominion of Canada, Provinces of Canada, Canadian Municipalities, School District Debentures and Other Bonds, Debentures and Debenture Stocks	601,159.70	
Cash in Chartered Banks	320,969.88	
Cash on Hand	34,455.58	
		5,387,200.80
ESTATES, TRUSTS AND AGENCY ACCOUNT:		
Funds and Investments	84,726,290.34	
		84,726,290.34
		$94,390,705.60

LIABILITIES

CAPITAL ACCOUNT:		
Capital Stock Fully Paid	$2,000,000.00	
Reserve Fund	2,000,000.00	
Special Reserve for new Branches	50,000.00	
Dividends declared and Unpaid Dividend No. 84 due Jan. 3, 1921	57,183.09	
Mortgages in Process of Completion	54,989.26	
Reserve for Balance Dominion Income War Tax	30,624.80	
Profit and Loss	84,417.31	
		$4,277,214.46
GUARANTEED TRUST ACCOUNT:		
Trust Funds for Investment	$3,085,061.98	
Trust Deposits	2,302,138.82	
		5,387.200.80
ESTATES, TRUSTS AND AGENCY ACCOUNT:		
Estates, Trusts and Agency Account	$84,726,290.34	
		84,726,290.34
J. W. FLAVELLE, President.	W. E. RUNDLE, General Manager.	$94,390,705.60

Board of Directors:
President: SIR JOSEPH FLAVELLE, BART.
Vice-Presidents: E. R. WOOD, W. E. RUNDLE, H. C. COX

HON. SIR EDWARD KEMP, K.C.M.G.
H. H. FUDGER
CHESTER D. MASSEY
H. B. WALKER
J. H. PLUMMER
HON. F. H. PHIPPEN K.C.
HENRY J. FULLER
T. B. MACAULAY
W. M. BIRKS
E. M. SAUNDERS
SIR JOHN AIRD
THOMAS FINDLEY
JAMES RYRIE
F. W. HARCOURT, K.C.
RT. HON. SIR THOMAS WHITE, K.C.M.G.
HARRINGTON E. WALKER
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SIR DOUGLAS CAMERON, K.C.M.G.
KENNETH MACKENZIE
GEORGE W. ALLAN, K.C., M.P.
EDWARD FITZGERALD

NEWS AND VIEWS FOR MANAGERS

CANADA'S BANKS GAIN RESPECT OF WESTERN CANADA

Experience of Dakota Banks Has Emphasized their Strength

AGAINST EXPERIMENTS

Western Newspapers are Now Advising Against Visionary Venture in the Field of Finance

There is a marked change in sentiment in Western Canada regarding the Canadian banking system, following the extensive bank failures in Dakota. Not only have the critics of the banks—and the criticism has been largely of political inspiration by those desiring to make capital against Eastern institutions—been rebuffed but there are evidences in the Western newspapers of a charge of feeling towards the idea of government ventures in the field of banking. When it can also be stated on the authority of the president of the Canadian Banking Association that loans in the Western provinces were increased $90,000,000 last year despite conditions prevailing any case against the banks is pretty well dissipated. The following opinions should be of great assistance to bank managers in showing how Western opinion has changed.—J.W.T.

"This is not a time to dabble in visionary banking ventures," warns the Calgary Herald in a timely editorial treating of the Canadian banking system. The radical outbursts against Canadian banking principles with which many in the West are disposed to amuse themselves have been appreciably tempered since the North Dakota bank crisis.

The collapse of the political movement in North Dakota which brought about what the Yorkton, Sask., Free Press describes as "lamentable and disturbing uncertainties" should go very far toward warning radicals that politics and a country's banking cannot be linked together as advocates of provincial-owned banking institutions propose. The result of such domination is summed up by the Regina Leader when it reaches the conclusion that "it is evident that a state government like a private individual must conform to economic laws if it hopes to establish sound institutions."

Both in the provinces of Saskatchewan and British Columbia there have been political planks which propose provincial banks. The scheme for British Columbia was proposed by Hon. John Hart, Minister of Finance, recently as follows:

"The establishment of a provincial bank so that the provincial government can accept deposits and keep the money of the people of this province here for the development of this province instead of having it sent east by the big banks through their branch system and loaned out at high rates in Toronto, Montreal and New York while business men here cannot get credit."

The answer comes from the Calgary Herald—a Western enterprise entirely—when it says:

"Critical outbreaks of a similar nature are not infrequently heard in this country. Every once in a while agitations arise for the establishing of local or provincial banks with the avowed purpose of securing greater financial freedom than the chartered banks of the Dominion feel it is safe to grant. The experiment was tried in North Dakota and it failed. The people there are worse off now than under the original system. There is no reason to believe that the same experiment would succeed in this country.

"The Canadian banking system has proved strong and dependable. The crisis through which the country is passing at the present time is again demonstrating its stability. There are times when in individual cases it may appear harsh but when firmness and caution are the very qualities needed. Without question Canada would today be in a much more precarious position had it not been for the foresight and decisive action of the Canadian banks."

Then as a further tribute to the branch bank system as opposed to local banks is this comment from the Moosomin, Sask., Herald:

"We have heard a great deal in this western country of the merits of the small local banks so plentiful in the United States. We have heard much of the disadvantages of the Canadian banking system, much more than can be substantiated. But we have not yet heard of a financial stringency in any or all of the Western Provinces resulting in the closing down of fifteen Canadian branch banks. We are experiencing a similar situation in the West to that which is causing trouble in North Dakota; some of our farmers are holding their wheat for higher prices and neglecting to pay their debts. We have had crop failures during past years in various localities, we have had financial stringencies more or less periodically, but our Canadian banks have always weathered the storm.

"Surely the troubles in North Dakota will convince the fair-minded critics of our own banking system that although the Canadian system is not perfect it is much to be preferred to the small local bank system so often urged as the best system for Western Canada."

BRINGING TOWN AND COUNTRY TOGETHER

Banker President of Kelowna Board of Trade Calls For Co-Operation

Breaking down the barriers of prejudice between the people of urban and rural communities by showing that their interests are mutual is a good work and one in which the bank manager can play an important part. Experiences which have come to my attention, some of which have been outlined on this page, have proven that better relations between town and country result in more business for the banks and particularly for the banks identified with the movement. The unanimous election of H. F. Rees, manager of the Royal Bank at Kelowna, B.C., to the presidency of the Kelowna Board of Trade for a second term is a typical case where a banker has won office on the recognition of his services for the benefit of the agricultural and fruit-growing interests of the district which play such an important part in the town's business prosperity.

At the annual meeting Mr. Rees urged that the Board of Trade evince greater interest in the farmer's problems, giving support to their resolutions and petitions, where possible, thus strengthening the unity which at present exists between this town and the country districts; maintaining that as the farmers prosper so would the business men of Kelowna, and that together they should both work for the advancement of the interests of the Okanagan, one of the most favored districts as to climatic conditions in the whole of the Dominion.

Improving the relations with the rural community is a movement from which only good can result. Opinions from managers as to how this can best be brought about, or experiences in reaching actual results, would greatly add to the value of the discussion.—J. W. T.

FARM FINANCING AND FOREIGN TRADE

Western Paper Recognizes That Foreign Bond Policy Is Benefit to Agriculture

Recognizing not only that the Canadian banks are an important factor in the development of agriculture in Western Canada but that the activities of the banks in foreign fields are also of interest to the farmer because it means active financial co-operation in all the stages between the producer and the consumer, the Manitoba Free Press, after referring to the service of the banks in the West, thus comments upon the activities of the Union in foreign fields:

One of the functions of a bank, which has been recognized clearly in recent times, has been to assist in the development of foreign trade, and even to act as a pioneer in trade, as some of the banks have acted as pioneers on the prairies.

When wheat has been grown and cattle have been raised on the prairies, it is essential that a part of this natural wealth should be exchanged in a satisfactory way for the produce of other countries, and the banks have recently come to see that there was a field for them in this matter.

THE WORLD'S HOLIDAYS

Most in Turkey and Fewest in Scotland

There will be only 88 days, exclusive of Sundays, during the year 1921, when some country somewhere in the world is not celebrating a holiday of one sort or another. Even this small number of world-wide working days will be reduced by advances to other days of celebrations which would otherwise fall on Sundays. Moreover there will be further abstentions from toil for religious and other festivals not recognized as holidays by governments or banks but which nevertheless will be participated in by many thousand men and women. Of all countries Turkey is most given to the keeping of holidays, there being twenty-six days in the year when special celebrations are held. Scotland, with only five holidays, is the most thrifty country of its time.

These and a multitude of other facts concerning the times and customs of all peoples are contained in the fourth edition of Bank and Public Holidays Throughout the World, the annual publication of the Guaranty Trust Company of New York, which has just been issued for the year 1921.

THE MOTOR TRUCK MOST EFFICIENT FOR SHORT HAUL

Continued from page 1

Cost of 100 lbs. to St. Catharines by rail, $1.30, same by motor, 40c.

Cost of 100 lbs. to Brantford by rail, $1.25, same by motor, 43c.

Cost of 100 lbs. to Niagara Falls by rail, $1.37, by motor, 47c.

These costs figured on the basis of an eight-hour day.

Mr. Telfer said his company had operated on the roads all winter for three years and if more good highways were built out of Toronto, say to Oshawa, they intended to establish a motor transport delivery to those eastern points. Their goods were now going east by rail.

A significant statement was further made by Mr. Telfer, in answer to questions by counsel, to the effect that the present railways are in sympathy with the trucks to handle small shipments because they claimed they made no money on handling them. In contrast to this it will be recalled that the hydro radial staff in making their estimates of freight earnings have calculated on getting a large volume of l.c.l. and all kinds of package freight. The question naturally arises as to how the hydro radials could make any money on this kind of business when the existing roads declare they are unable to make any money whatever on these lines of freight.

Sticks to His Guns

Mr. Robert McKay, K.C., for the municipalities agitating for radials, tried to break down Mr. Telfer's figures in some particulars by pointing out that they were too low and that the calculations did not hold water, but the witness stuck to his guns and said that his figures had been prepared by their accountant after careful observation and study. He will check them over and supply some additional data to the Commission.

Joseph Green, transportation manager of the Christie, Brown Biscuit Company, said that his firm operated a motor service to Hamilton and found a similar experience to that of the previous witness. Customers in that city were much better pleased with the motor service than with that by rail and he declared that improved highways were a determining factor in extending the lines of their motor transportation. A good road opened between Toronto and Whitby, for instance, would mean the extension of their service to that point. C. E. Edmonds, manager of the company, in his testimony later confirmed the evidence of Mr. Green and added that motor transport had proved so satisfactory that the company would never go back to rail service between points now being served by automobile. Two more trucks, he said, had been added by his firm this year. If the roads were good the service could be extended for a hundred miles.

Benefits to Farmers

F. C. Cowan, who has made an exhaustive research into the subject and a part of whose findings were published in pamphlet form by the Ontario Department of Agriculture, reviewed what he had found by investigating conditions in various parts of Ontario, the conclusion of which was that farmers, stock raisers, co-operative companies, fruit growers, etc., were going more and more into trucks as a rapid and efficient form of delivery. He stated that fruit and vegetable men, milk and stock producers whose farms were near radial lines were preferring the motor truck for delivery because of the expedition and the facility of movement. The advantages of the car as against the numerous handlings on railways for short hauls were set forth by him in numerous instances. He spoke of what he had found in and out of Toronto, Hamilton, Clarkson, St. Catharines, Cobourg, Leamington and elsewhere. The United Farmers were now using motors to market their hogs, sheep, etc., to the Union Stockyards.

SAVINGS OF THE WORLD

Are Estimated at $13.58 Per Capita for All Countries

If all the money in the mutual, stock and postal savings banks in the world was equally distributed among the inhabitants of the globe, every man, woman and child would have $13.58, according to statistics issued by the Savings Bank Association of the State of New York. The same authority shows that the 146,277,394 small savers of the world have on deposit $23,123,285,677, a sum greater than the combined wealth of Germany, Austria, Hungary, Turkey and Bulgaria. The average deposit account the world over is $158.08.

The Toronto General Trusts Corporation

The 39th Annual General Meeting of the Shareholders of The Toronto General Trusts Corporation was held at the Head Office of the Corporation in Toronto on Wednesday, the 2nd day of February, 1921, at 12 o'clock noon. The President of the Corporation, Hon. Featherston Osler, K.C., D.C.L., presided, and Mr. W. G. Watson, Assistant General Manager, acted as Secretary of the Meeting. Mr. A. D. Langmuir, the General Manager of the Corporation, submitted the Annual Report for the year ended December 31st, 1920, accompanied by the usual statements showing the results of the operations for the year.

THIRTY-NINTH ANNUAL REPORT OF THE BOARD OF DIRECTORS

(being for the year ended 31st December, 1920)

To The Shareholders—

Your Directors have pleasure in submitting the Thirty-Ninth Annual Report of the Corporation, together with the usual statements showing its operations for the year ended the 31st December, 1920.

The gross profits for the year, after providing for all ascertained or anticipated losses, amount to $820,269.88. The administration expenses, including salaries, Directors' and Auditors' fees, advertising, rent, taxes, etc., amount to $466,555.90. This, as you will observe, makes our net profits for the year $353,713.98. To this amount must be added $265,529.02 brought forward on the 1st of January, 1920, together with the premium of $171,395.89 received on account in connection with the issue of $500,000 new stock of the Corporation, making a total of $790,638.89, which has been dealt with by your Directors as follows:

To payment of four quarterly dividends as follows:		
Nos. 95 and 96 at the rate of 10% per annum	$75,000.00	
Nos. 97 and 98 at the rate of 12% per annum	90,000.00	
To payment to the shareholders of:		
One per cent. bonus on the 2nd July, 1920	15,000.00	
Interest on new stock	1,407.39	
		$181,407.39
To amount provided for 1920 Federal Income Tax (payable in 1921)		25,000.00
To amount written off Corporation's Safe Deposit Vaults at Toronto and Ottawa, and Office Furniture account at Vancouver		13,221.85
To amount written off Vancouver Branch Building		27,845.76
To amount transferred to Reserve Fund, including $171,395.89 premium received on account in respect of new issue of stock		250,000.00
To balance carried forward to credit of Profit and Loss		293,163.89
		$790,638.89

The Assets and Liabilities Statement shows an increase of assets over the preceding year of $12,639,292.67, making the total volume of assets now in the hands of the Corporation $113,762,324.18.

It is with regret your Directors have to record the death during the year of Mr. Thomas Long, an efficient and valued member of the Board since 1898. The vacancy on the Board has been filled by the appointment of Mr. Thomas Bradshaw, of Toronto, General Manager of the Massey-Harris Company, Ltd. All which is respectfully submitted.

A. D. LANGMUIR, General Manager.

FEATHERSTON OSLER, President.

Toronto, January 18th, 1921.

ASSETS AND LIABILITIES STATEMENT FOR THE YEAR ENDED 31st DECEMBER, 1920

ASSETS

CAPITAL ACCOUNT—			
Office Premises ......$		825,000.00	
Real Estate held for sale		81,621.78	
Rents		8,578.16	
Mortgages: Princip'l	$2,000,472.78		
Interest	79,689.17		
		2,080,161.95	
Loans on Stocks and Bonds		232,241.45	
Dominion of Canada and Provinces of Canada Securities		523,264.22	
Canadian Municipalities' Debentures		25,630.42	
Other Bonds or Debentures		49,352.37	
Loans or Advances to Trust Estates and Guaranteed Mortgage Accounts under Administration by the Corporation		437,250.00	
Cash in Chartered Banks		125,721.92	
Cash on hand		275.00	
Other Assets		671.55	
			$4,389,768.82
GUARANTEED TRUSTS ACCOUNT—			
Mortgages: Princip'l	$6,959,693.93		
Interest	278,373.67		
		$ 7,238,067.60	
Dominion of Canada and Provinces of Canada Securities		711,222.01	
Canadian Municipalities' Debentures		1,039,568.47	
Cash in Chartered Banks		135,459.90	
			9,124,317.98
ESTATES, TRUSTS AND AGENCIES ACCOUNT—			
Mortgages on Real Estate		$13,778,436.45	
Government and Municipal Debentures		13,299,980.28	
Stocks and Bonds		1,231,797.81	
Loans on Debentures, Stocks and Bonds		1,087,840.41	
Sundry Assets		16,491.57	
Cash on hand and in Banks		1,698,032.52	
		$31,112,579.04	
Original Assets, including Real Estate, Mortgages, Debentures, Stocks and Bonds, etc., at Inventory Value		69,135,658.34	
			100,248,237.38
			$113,762,324.18

LIABILITIES

CAPITAL ACCOUNT—			
Cap. Stock subscribed	$2,000,000.00		
Cap. fully paid	$1,648,600.00		
Cap. partly paid	78,360.00		
		$ 1,726,960.00	
Reserve Fund		2,250,000.00	
Contingent Reserve Fund		35,000.00	
Dividends declared and unpaid: No. 98, due January 2nd, 1921	45,000.00		
Interest in lieu of dividend on New Stock, payable January 2nd, 1921	1,407.39		
		$ 46,407.39	
Appropriation for Federal Income Tax		38,237.54	
Profit and Loss		293,163.89	
			$ 4,389,768.82
GUARANTEED TRUSTS ACCOUNT—			
Guaranteed Trust Funds for investment		$ 9,124,317.98	
			9,124,317.98
ESTATES, TRUSTS AND AGENCIES ACCOUNT—			
Trust Funds for Investment or Distribution		$31,112,579.04	
Inventory Value of Original Assets of Estates and Agencies under Administration by the Corporation		69,135,658.34	
			100,248,237.38
			$113,762,324.18

AUDITORS' REPORT

We, the undersigned, beg to report that we have made a full examination of the books, accounts and vouchers of The Toronto General Trusts Corporation to 31st December, 1920, and find same to be correct and properly set forth in the above statements of Profit and Loss and Assets and Liabilities. We have examined, and find in order, all the mortgages, debentures, bonds and scrip of the Corporation, as well as those negotiated for the Supreme Court of Ontario, and Trusts, Estates and Agencies in the Corporation's hands, and we have checked same with the mortgage and debenture ledgers and registers. The Trust investments and funds are kept separate from the Corporation's own securities and funds, and all securities are so earmarked in the books of the Corporation as to show the particular Estate, Trust or Guaranteed Account to which they belong. The Banker's Balances, after deducting outstanding cheques, agree with the books of the Corporation. All our requirements as Auditors have been complied with. We have also examined the reports of the Auditors of the Winnipeg, Ottawa, Saskatoon and Vancouver Branches, and find that they agree with the Head Office books.

After due consideration we have formed an independent opinion as to the position of the Corporation. In our opinion so formed, according to the best of our information, and the explanations given to us, we certify the above statements set forth fairly and truly the state of the affairs of the Corporation, and are in accordance with its books. All transactions for the Corporation that have come within our notice have been within the powers of the Corporation.

Toronto, January 18th, 1921.

R. F. SPENCE, F.C.A. "Can." } Auditors.
JAMES HARDY, F.C.A. }

The meeting was then addressed by the President and General Manager.

The report of the Directors and the accompanying Statements were duly adopted and the following Shareholders were appointed Directors for the ensuing year:—

Hon. Featherston Osler, K.C., D.C.L.; Hamilton Cassels, K.C., LL.D.; Brig.-Gen. Sir John M. Gibson, K.C., K.C.M.G., LL.D.; Hon. W. C. Edwards; Wellington Francis, K.C.; A. C. Hardy; John Hoskin, K.C., LL.D., D.C.L.; Lieut.-Col. R. W. Leonard; Thomas Bradshaw; J. Bruce McDonald; Hon. Sir Daniel H. McMillan, K.C.M.G.; Lieut.-Col. John F. Michie; Sir Edmund B. Osler; J. O. Scott, K.C.; Sir Edmund Walker, C.V.O., LL.D., D.C.L.; E. C. Whitney; E. T. Malone, K.C.; H. H. Williams; His Hon. Lionel H. Clarke; Robert Robson.

At a subsequent meeting of the Directors, the following officers were elected President and Vice-Presidents: Hon. Featherson Osler, K.C., D.C.L.; Brig.-Gen. Sir John M. Gibson, K.C., K.C.M.G., LL.D.; Hamilton Cassels, K.C., LL.D.

THE FINANCIAL POST

Members of the Audit Bureau of Circulation.

President - - - - JOHN BAYNE MACLEAN
Vice-President - - - - HORACE T. HUNTER
Manager - - - - - GORDON RUTLEDGE
Editor - - - - - - J. W. TYSON

A weekly newspaper, presenting in a popular manner reliable information respecting investments and financial affairs in Canada.

No paid advertising, other than annual reports or official notices of corporations, will be inserted in the news columns unless marked "Advertisement."

Advertising matter is investigated before publication, and none of known questionable character is accepted. Acceptance of advertising will not deter the editorial department from making such comments as the situation may suggest.

No material from news bureau sources submitted for editorial purposes will be published, and no such bureau or individual should be paid any consideration or given any credit for the insertion or inspiration of any item.

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TORONTO, FEBRUARY 4, 1921

"MADE IN CANADA"—AND MADE BETTER

IN the interview given to THE FINANCIAL POST last week, Frank Jones, general manager of the Canada Cement Company, and a salesman who has been given the title of "Million-Barrel" Jones—and has lived up to it—voiced a strong, practical idea when he suggested as a trade motto: "Produce at a price and a quality that will enable Canadians to buy in Canada" to replace the peremptory phrase: "Buy in Canada." The Montreal Herald endorses the new slogan and opines that Mr. Jones deserves to be decorated with an industrial V.C. for his happy suggestion—"the most patriotic and statesmanlike utterance we have heard in a long time."

The Made-in-Canada movement is one which has been launched on a wave of sentiment. Sentiment is all very well in its place but it cannot be counted upon as a real factor in business transactions unless other things are equal. Mr. Jones has added to the Buy-in-Canada slogan. THE FINANCIAL POST would add to the Made-in-Canada slogan the phrase—"And Made Better."

Canadian manufacturers have—or if they have not they should be given—sufficient tariff protection to manufacture goods of the best quality to meet foreign competition on an equal footing in the home markets. If and when they do so they have a right to ask and expect that the people of Canada will buy Canadian made goods in preference to those imported. But they have no right to expect that they can turn out cheap, inferior products and that the people will then buy at high prices merely because they are made in Canada.

The stamp "Made-in-Canada" should not merely mean that the goods are manufactured in this country but that the reputation of Canadian industry is behind them and that they are, therefore, the equal of the products of any foreign competitor. The great majority of Canadian manufacturers are successfully endeavoring to live up to this high standard and sell goods marked "Made-in-Canada" on their merits. They should not be handicapped by a few pikers whose use of that label is a libel on Canadian industry.

The Canadian Manufacturers' Association is backing a very sensible movement urging Canadian manufacturers to use the Made-in-Canada slogan in their advertising. But at the same time an effort should be made in the interests of Canadian industry as a whole to see that the label "Made-in-Canada" is not used on products which are not worthy of public confidence.

CHARTING ONE'S OWN INDUSTRY

THE readjustments that are taking place at the present time in a number of industries, with serious results, suggest a lack of broad co-operation between manufacturers in the same line and between manufacturers, singly and as a body and the retailers and the consuming public. One of the most patent illustrations of a singular lack of information among manufacturers as to what the others are doing, and the position of the ultimate consumer was shown in the sugar industry. It is common knowledge that the figures the refiners were able to furnish government authorities as to the requirements of the public for 1920 were scarcely fifty per cent. correct. Allowance must be made for the slump in buying following the heavy advances in prices of last year but it is a lamentable fact that the refiners were not in close enough touch with their customers as individuals to realize that there had been an extensive stocking up going on during the latter part of the year 1919, and that the estimates on which the Trade Board issued instructions to load up on raws sufficient to cover the needs of Canada for the whole of 1920 were utterly unreliable. This in large part must be assigned as the cause for the disastrous miscalculations quite as much as the unexpected slump in prices of raws.

The pulp and paper industry furnishes a sharp contrast to this condition, and might be looked into by manufacturers in a number of lines of industry. Month by month the pulp and paper mills of Canada and the United States furnish accurate figures covering production, shipments and stocks on hand as at the end of each month. These figures are the common property of the mills, rivals though they be. Moreover the figures are published, and thus the practice is stripped of the possibility of any charge that this co-operation is carried out with any intention of maintaining or establishing a monopoly.

The obvious advantage of such knowledge of conditions of production in the industry is that the paper makers need not run into the folly of the sugar refiners in loading up with enormous stocks that could not possibly be absorbed, resulting in a heavy slump in market prices. When the monthly paper figures, usually reduced to charts, indicate that a surplus is being created, it is the part of common sense to begin to restrict the output. There will be those who will suggest that the blind method is the most natural, as it has been the usual one of the past. But THE FINANCIAL POST ventures to suggest that a lack of information about one's own industry will not, in the future, be accepted as a mark of high intelligence in mill management, just as the curious failure in so many industries to foresee even three months ahead the signs of the storm of 1920 cannot be viewed as unavoidable, but as a failure that must force a radical change in the "information bureaus" of scores of Canadian industries.

PUBLIC TENDERS AGAIN PROVE BEST

THAT calling for public tenders for provincial and municipal bond issues is not only the fairest method but in many cases results in a higher price for the government making the sale than could be secured by private negotiation has been again indicated during the past week. Ontario, a wealthy Eastern province, sold $10,000,000 of 20-year bonds by private negotiation and paid 6.28 per cent. for its funds. Saskatchewan, a prosperous, but less developed Western province, sold $3,000,000 of shorter term bonds after calling for public tenders and paid less than 6.25 per cent. for its money.

The Ontario bonds were sold on a narrow margin by the dealers and in many ways the deal was advantageous to the province, but a day after the bonds were offered at 6.15 per cent., they were bought in by dealers at 99 and sold again at par to yield 6 per cent. Evidently then, the market for Ontario bonds was nearer a 6 per cent. basis than 6.15 per cent. Had Hon. Peter Smith, provincial treasurer, called for public tenders for this issue, he would have had the advantage of competitive bids which would have assured the province of the highest price possible in the present market.

Apart from the higher price which usually results from public tendering of bond issues, provincial treasurers and municipal officials should follow this course as a matter of public policy. There is no opportunity for collusion in an open sale and the official who avoids private deals avoids the possibility of suspicion. The official himself is entitled to the protection an open course affords him, bond men are entitled to share in every issue for which they are prepared to make the best terms and the people are entitled to know that their bonds are being sold on the most favorable terms.

EDITORIAL NOTES

THERE are none so unemployed as those who will not work.

* * *

THE ISSUE of "Conservation" for January 21 gives the production of Canadian salt in 1919 at 148,302 tons, obtained almost entirely from Southern Ontario. Why did it take Ottawa a year to figure this out?

* * *

COMMENTING upon the world wheat situation the National Bank of Commerce of New York says that "Canadian prosperity is to a large degree dependent on the wheat crop, which is capable of great expansion."

* * *

SIR PHILIP GIBBS has many friends and admirers who appreciate him as the outstanding word painter of the great war, but who will hardly care to accept him as the final economic authority as to what Germany can or cannot pay to discharge her debt to the Allies.

* * *

IT IS remarkable that there should be such a dearth of real information regarding the Hydro Radial projects available from the men who must have been responsible for the by-laws upon which the people have voted their support. Looks as though advantage had been taken of the confiding public.

* * *

THE HOUSE Roads committee of the United States Congress has favorably reported a bill covering an appropriation of $100,000,000 for the construction of public roads during the next fiscal year. Note: These are just "roads"—not electric roads.

* * *

THERE IS a well-directed campaign being carried on in certain Toronto newspapers to pave the way for higher street car fares just as soon as the city takes over the system. The system must pay its way is the argument. The argument is sound but it proves conclusively that the company has been rendering service at less than cost and that the shareholders have been paying the shot.

* * *

PREMIER DRURY evidently holds no illusions regarding the efficiency of public ownership no matter how he may regard it as a matter of policy. In a recent address he declared that he thought the principle of the "clean-up" of the private power interests in Toronto was good but qualified his statement by saying:

> "I know that there are certain disadvantages in government managementship. The fact of the matter is that governments are not good business organizations. They can't screw things down so tight as private corporations. They can't get the same efficiency."

* * *

CALGARY city county has decided to pay its sterling debenture coupons at current rates of exchange. A newspaper account of the meeting at which this decision was arrived at says: "Auditor F. M. Harvey, who was present, remarked that the situation just about amounted to the bond purchasers wanting to send the coupons wherever they could stick the city for the most money: it was a kind of 'stand and deliver' proposition." At the same meeting of the council the city treasurer was asked to report on a scheme to make the Dominion of Canada pay interest on the city's war loan bonds in New York funds instead of in Canadian funds. From a legal standpoint the city is protected in each case; from an ethical standpoint—it all depends which side of the fence you are on.

The Farmer-Premier and the Blunder-proof Commission

Being the Fanciful Views of a Guelphite on the Ruminations of Premier Drury Regarding the Hydro Situation in Ontario.

By JAMES HOUGH.

The following appeared in the Guelph Mercury as a letter to the Editor. The writer is an old and well-known resident of the city and has evidently been a close and interested student of the developments between the city and Sir Adam Beck's Commission regarding the street railway transaction—which proved such a fiasco so far as the city was concerned. Although rather reluctant to express themselves there are many Guelphites who were strong for the Beck proposition who have since come to see how the wool was pulled over their eyes and they are now coming to see things as Mr. Hough does:

Once upon a time a certain province in the centre of a prodigious country found itself possessed of immense water-falls, that, tumbling from great heights or rushing down precipitous inclines, turned mysterious wheels, which, meshing into others still more mysterious and wonderful, sped immense dynamos on endless circuitous journeys distributing a silent, invisible, mystic something that lighted the by-ways, the huts, the shops, the homes and the palaces, and operated the spinning-wheels, the looms, the printing presses, and the machines of the farms and factories of the people throughout the length and breadth of the realm. Its brilliance was more wonderful than the fabled touch of magic wands, and its power greater than Solomon's gold. For the want of a better name it was called "electricity." No other people in all time had been so blessed, and no other people in history had had such a heritage forced upon them for the making of every essential the world had known, luxury, comfort, prosperity, happiness and power.

The gift was so stupendous in possibilities of achievement that it staggered and stunned the understanding and the people have not grasped a fraction of its magnitude and importance nor reaped but little of its benefits to this day.

The Government selected and appointed a few men in whose hands this great and wonderful heritage was placed to distribute its blessings among the people, and in so far as seeing that they were duly supplied with light and power, they performed their duties well. Then they—now called the "Hydro-Electric Power Commission of Ontario"—found that in a short time the heritage would be fabulously increased and they would have more power—power more valuable than gold—than they knew what to do with. This must not be! The precious fluid must not go to waste! Ways and means must be found to use it up, but how? They thought not of the wonderful things the world had dreamed of and that science had struggled with for centuries only to find that nothing but tremendous powers could bring them forth. They did not know they held in the grasp of their hands the one great essential to all things that men, nations and empires had sought for in vain in all ages since time began. They thought not of its magic qualities and the wonders it could perform. They saw no vision of the province dotted over with immense manufacturing concerns that a simple offer of free light and power would bring into being, nor of the needful things that could be produced for the relief of suffering Europe, of the factories for export only that would take form and life by a touch of this wonderful electric wand, and they thought not that the power they held so lightly could make this province the Mecca of export manufacturing for the whole world. No, they thought of electric railways—trolley lines—they were ideal contrivances for the consumption of electric energy, in spite of the fact that another invention was rapidly superseding them, and automobiles and motor trucks were already crowding the by-ways and main roads from village to town and hamlet to city throughout the land, and that the steam railroads were struggling against engulfing losses. They decided to use the great gift that had been bestowed upon a favored people as a flaming sword to strike in competition against their own people who had performed their allotted duties well, faithfully and long, but the excessive power must be consumed even though its strength was turned against itself instead of in the creation of new things for the benefit, comfort and prosperity of all mankind.

Yes, a system of trolley lines was the thing. They would lay a net of them over the province like a great intricate, closely woven cobweb until all the magic power was used up, and none was going to waste, even though the population of the province required to be 8 times greater and the automobiles nine-tenths less, before such a scheme could show a profit. This, then, was the judgment and wonderful decision of the Hydro-Electric Commission of Ontario. Soon the personnel of the Commission began speaking of themselves in public as competent railway men, and in their own minds soon became efficient and infallible managers of railway systems, and succeeded in convincing a vast percentage of the population that such was the fact. Then the idea of forming a system comprising, approximately, Hamilton, Kitchener, Galt, Elmira, Guelph and various rural municipalities was conceived, which was an exceptionally good thing for Guelph as it was supposed to provide for a genuine sale of its road and some real money for its ratepayers.

With the aid of convincing speeches and brilliant flights of oratory made up of silver-lined prognostications and golden promises, but mostly of laudatory tributes to their own abilities by the personnel of the Hydro Commission and an allied Association of Municipalities, the scheme caried with flying colors at the polls and Guelph was jubilant. With trusting faith in the magnanimous promises the ratepayers could see the taxes falling as rapidly as a thermometer mercury on a block of ice. Nightly they sat on the front porch and dreamed of brilliantly lighted, bob-tailed trolley-coaches shooting hither and thither like fire-flies in a swamp, and long lines of freight cars, resembling animal cages in a circus parade, passing over newly laid switches into factory yards were ever in their vision. Finally, arrangements were complete for the Hydro to take over the road, the time for paying for it in real coin of the realm was set for July 1st, 1920, and the citizens were settling down for a day of profound thanksgiving.

But, way up Simcoe way, a rotund little farmer, who had recently been elected to prevent the sale of gold bricks to rural municipalities, in blue jeans and yellow straw hat, straddled the wall of standing hay, chewed rabbit-like at a long straw, and thought deeply while the blades clattered merrily to his musing. Finally, stopping the horses, he climbed from the seat, called the hired man, installed him thereon, sauntered thoughtfully up to the house, doffed his jeans, washed the seed from his hair, donned his Sunday suit, accepted a neatly folded handkerchief from his smiling spouse, waited while she placed another in his outside breast pocket and a pansy in his button hole, kissed her, turned and hiked for Toronto.

There he lost no time in getting in touch with the Most Worshipful Gazaboos of the Hydro and demanding to know what kind of any all-fired, bonehead mistake the blunder-proof, Commission was makin' with the Guelph railroad. He was showered with affable smiles of confidence while being informed that the road was being taken over in conformity with the wishes of the System of Municipalities, and in respect to Guelph's desires whose citizens had voted almost unanimously to sell their road at a stated price.

A cynical smile curved the upper lip of the little man from the tall timbers while he told them he knew the Guelph folks had voted to sell their road, and they'd been mighty darn fools if they hadn't, but with all the glittering legal talent of the Hydro folk, all their smartness, all their boasted business shrewdness, all their engineering ability, all their knowledge, all their blunder-proof confidence, and all the assistance of the Association of Municipalities, nobody thought of making any arrangements for anybody to BUY the road, though every arrangement was made for Guelph to sell it.

But the wise men argued they had the right to purchase the road as part of the system, but the little farmer, whose shrewdness stuck out all over his features and whose brightness flashed from his eyes, wouldn't have it that way, and, with the little cynical smile still hovering on his lip, he imparted the information that nobody had the right—not even the Hydro Commission—to load something, and especially a dead hoss, onto somebody else without expressed consent in writing, but even then if they had that right, he pointed out they had made another blunder in not providing, when the vote was taken, for the raising of some money to buy it with. They had agreed to pay Guelph tens of thousands of dollars and hadn't a cent to pay it with and no legal ways nor means of raising one. Then in a disgusted tone he abruptly told them the deal was off, and left the room.

Next morning, back on the farm, in top boots, blue jeans, and straw hat, the little farmer sat on the fence surrounding the barn as the sun rose over the horizon. Deep in meditation, the beautifully tinted clouds and scintillating colors went unobserved, but his head rose slowly when a gayly plumaged, proudly erect rooster began crowing lustily from the top seat of a wagon, and his face wreathed itself in humorous smiles when a much scorned and long ridiculed barnyard bird shot around the corner with lowered head and spread wings and drove it ignominously from the yard. A gloating little chuckle escaped him, the one word "Hunch" feil from his lips, and, still wearing the humorous smile that gradually grew more expansive, he climbed from the fence, soliloquizing the while as he wandered toward the house: "Wall, by heck, if them Hydro folk ain't got more hoss sense than they toted out in that Guelph deal, I'd better hold an investigation and find out what they does now 'fore things get tangled in hard knots. They're doin' too dern much crowin' as cocks o' the walk in the railway business before they've tried it. They seem to be follerin' in the footsteps of Uncle Samuel, 'cross the way, who thought he could run all the railways in the country as a system, and it cost him hundreds of millions of dollars to find out he couldn't, and there's bills for hundreds of millions of dollars more stacked up against him for damages. The Hydro folk are all right runnin' electric light plants all over the country, 'cause they don't overlap one into the other, but there's as much difference in runnin' a light plant and a system o' railways as there is 'tween runnin' a farm and a league o' nations. That awful bluff of the Hydro to buy a railroad and pay for it with devitalized air has sort o' turned the Paris green spray on the only chance Guelph had o' getting a good figger for her old thrashin' machine that loses more o' the grain that goes in it then comes out, though it rattles round enough to shake the milk out o' cocoanuts. Still, the best machine ever made'll only grind up dollar bills when run by folks who don't understand them. But, perhaps, somehow or mebbee the Guelph folk might gather enough grit to give their long neglected, friendless, cussed and everlastingly abused railroad a chance to pay in the same way that several thousand other roads on this continent are made to pay without any help from the Hydro Commission, and few of 'em are better situated than Guelph, and fewer that have any water power to help 'em out, nothin' but coal-made electricity at a mighty high figger, but they pay just the same. It always seemed to me that Guelph's was a Steer-clear road, steerin clear of as many passengers as possible.

When a crowd of students or visitors for the O. A. C. arrived by train the car was at the College and the crowd passed it half way up goin' down empty, and when a gatherin' at the College was ready to go home the car was down town and the crowd passed it half way down going up empty. But nevertheless Guelph holds the key to the situation in a profitable field for electric railways and is throwing it away, whereas if somebody put a little money behind it and a real railroad man in the front of it, and retained a real railway engineer as an occasional adviser in chief, the citizens 'd soon be out with candles, lanterns, and flash lights lookin' for that key, and fightin', scrappin' and blamin' each other for bein' responsible for throwin' it away, for with it they could dictate the terms of a real transaction in place of meekly submittin' to the terms of a make-believe one. But in the meantime, what I wants to find out is how much the Hydro folks really know 'bout a railway system, anyway, 'fore they goes spendin' a lot o' good money for broken down parts to build up a new machine," and he disappeared through the door.

Some time later he sauntered toward the depot, a white handkerchief peeping from the breast pocket of his coat, a pansy glowing in its button-hole, and determination glinting through a confident smile on his features, and the investigation he started that day is still investigating—while Guelph hastened to vote its railway and the key to one of the most valuable railway situations in Ontario into the hands of the very Commission whose abilities, schemes, and ideals, are being investigated and that put Guelph to the expense of voting to sell its road when it had neither cash to buy itself or customer for Guelph to sell to.

Along about Christmas time just passed, somebody sent the little farmer a copy of the by-law, with agreement attached, that was being submitted to the ratepayers of Guelph, to again sell their road to the Hydro Commission, and asked if he would sanction it if favored by the vote of the people.

Seating himself in an immense arm chair before the yule log burning briskly in a quaint, old fashioned fireplace, after the last of his care had retired for the night, he drew forth the document, carefully read it through, referred from one clause to another, and studied it minutely, then leaning back he rested his head on a cushion and soliloquized: "Wall, Guelph still seems mighty anxious to get rid of her railroad. Accordin' to this document she's willin' to give away the whole plant, lock, stock and barrel, except the bad debts and deficits for the next fifty years, and she puts up three hundred thousand dollars as a guarantee that she'll duly pay losses of every kind if someone'll only take the derned old thing off her hands. She goes further than that, for she fools herself into be-

Continued on page 18.

PERSONALS

W. J. MOULE, assistant comptroller of the Canadian Pacific Railway Company, and regarded as one of the most capable railway statisticians on the continent, passed away at the week end after a short illness. Mr. Moule had represented the company in a most efficient manner during the recent rates investigation before the Railway Board at Ottawa. A special train was run from the Windsor Street offices to Montreal West, where he had lived, and the funeral services were attended by the president of the company, E. W. Beatty, K.C.

CHARLES EDOUARD ARPIN, managing director of the Credit Canadien Inc., Montreal, died this week at the age of 36. Mr. Arpin was well-known in the business and financial circles of the city, and was a member of the boards of a number of organizations. His early career was spent in the service of the Banque d'Hochelaga, from which he joined the Eastern Townships Bank, remaining with this from 1901 to 1908. That year he was chosen as assistant general manager of the Prevoyance Assurance Company, and in 1916 he became managing director of the firm with which he was connected at the time of his death. He was also a director of the Sun Trust Company, the Monarch Fire Insurance Company, Duchesne & Grimard, Limited, L. A. Beauchemin & Co., and of the Denis Advertising Signs, Limited.

W. P. RILEY, a successful merchant, of Winnipeg, has been elected to membership on the directorate of the Bank of Hamilton. Mr. Riley has been a resident of Winnipeg for the past ten years, coming there from Port Arthur, where he was the head of Riley-Ramsay wholesale grocers. Mr. Riley has become widely known through his association with the firm of Western Grocers Limited, of which he is president. He took charge of the business of the A. Macdonald Co. in 1912, when it had been purchased from the founder by the Dominion Bond Company, and has been largely the means of placing the company upon its present substantial financial basis. He is also one of the directors of the Monarch Life Assurance Co., a director and vice-president of the Dominion Loan and Securities Co., and a director of the Equitable Trust Co.

D. L. M'LEOD, senior member of the firm of investment bankers, McLeod, Young, Weir & Co., formed in Toronto last week, has had an extended experience in the bond business with the financial house of A. E. Ames & Co. A graduate of Queen's University in 1908 he engaged for three years following in newspaper work, finally becoming financial editor of the Toronto News. In 1911 he joined the firm of Brent, Noxon & Co., to which firm he was admitted in partnership in 1914. The following year he joined the firm of A. E. Ames & Co., and worked up ultimately to the position of sales manager. W. E. Young, who is also associated with the new firm, began his business career with the Metropolitan Bank in 1906. In 1909 he joined the staff of the Traders Bank, and in 1911 became associated with A. E. Ames & Co. with which firm he has since been identified, rising to the position of general sales manager. Lieut.-Col. J. G. Weir, graduated from the University of Toronto in 1908, and entered upon journalistic work. In 1911 he joined the firm of A. E. Ames. He served overseas in the late war with distinction, resuming on his return his position with his old firm.

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INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of THE FINANCIAL POST. Only questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose 3 cents in postage stamps to cover postage on answers direct.

INCOME TAX

G. C. P., Montreal.—Will you kindly advise me as to the status of a married woman in connection with the income tax requirements in the provinces of Quebec and Ontario. I have been given to understand that a married woman in either province having a marriage contract, if her income should exceed $2,000, is required to declare such income in which case an exemption of $2,000 is granted.

We have referred your inquiry to the office of the Income Tax Department in Toronto, and have been apprised that the subject deals with an extremely complicated matter which was beyond their jurisdiction. It was suggested to us that the only safe course to pursue would be to consult a reputable lawyer. We believe that it would be ultimately more satisfactory to yourself if you were to follow the suggestion. We regret that we have no more specific information to offer.

MUTUAL FINANCE

B. W. A., Galt.—Would like your opinion of the Mutual Finance Corporation of Windsor. Would you consider this a wise investment for a man who has surplus funds lying in the bank at ordinary savings interest?

We think that you are well advised to put your surplus funds into service immediately, but we are doubtful whether the security you mention would prove the most satisfactory to you. While the Mutual Finance Corporation is favorably regarded in financial circles and is showing a satisfactory record of earnings we presume that an investment, concerning whose stability there would be no question, is what you have in mind. Under such circumstances we would advise you to use your funds in the purchase of Government or municipal bonds, where you not only obtain gilt-edged security but a fair return as well. It would be a simple matter to more than double the present return on your money in the savings banks.

CONTINENTAL MATCH

M., Toronto.—Would like your opinion of the Continental Match Company.

Following further investigation of the Continental Match Company, Ltd., of Aurora, we are informed that this concern has not as yet commenced active operations. Their factory, we understand, was considerably damaged by fire by former tenants, and is now being improved and repaired. It is anticipated that it will be several months yet before it will be ready for operations. The full board of directors has not as yet been elected. Just what success will attend the company's operations cannot, of course, be determined at the present time, but until the company is actually under way, and has proven its earning capacity, its stock can only be regarded as highly speculative.

CALGARY

W. B., Tillsonburg.—In a clipping from your last week's paper I see Calgary has decided to pay coupon in sterling. Kindly let me know if this will affect holders of securities in Canada. Also whether legally a city can pay in British or Canadian currency as it sees fit.

Calgary's decision to pay sterling coupons at current rates of exchange does not affect holders of bonds that are payable either in dollars or pounds. They will be paid in dollars, of course, and the city has no legal right to pay them otherwise where the holder demands payment in dollars. But the city has outstanding about $700,000 of bonds

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Investing a $40,000 Fund To the Best Advantage

"I control funds amounting to approximately $40,000 and am desirous of placing a portion of it in strictly gilt-edge securities at as high a rate as consistent with safety," writes a lady from Niagara Falls, Ontario, to THE FINANCIAL POST.

A number of industrial issues were mentioned which, in our opinion, were not suitable under the circumstances, and some leading investment houses in Canada were asked to suggest about half a dozen offerings in suitable bonds or better preferred stock issues.

The following is a summary of the suggestions submitted and which have been forwarded in detail to the inquirier. Space does not permit of reference to opinions and comments offered by way of advice.

C. H. BURGESS & COMPANY, TORONTO.

$40,000 City of St. Catharines, Ont., 6% bonds. Denomination: $1,000 and $500. Rate to yield 6.40%.

$25,000 City of Winnipeg, Man., 6% bonds. Denomination: $1,000. Rate to yield 6.30%. Due 1950.

$10,000 Township of York, Ont., 6%, due 1929. Rate to yield 6.30%.

$40,000 Province of Alberta, 15-year 6% gold bonds. Price 98.06; yield 6.20%.

$25,000 City of Ottawa Roman Catholic Separate School Board, 4½% bonds, due 1939. Denomination $1,000. Price; 76.11 and int. Yield 6.75%.

C. MEREDITH & COMPANY, MONTREAL.

Dominion of Canada Victory Loan.
Penman's Limited, Bonds.
Laurentide Power Bonds.
Dominion Textile Bonds.
Canada Cement Bonds.
Dominion Textile Preferred.
Canada Cement Preferred.
Lake of the Woods Preferred.
Laurentide Company Limited, Capital Stock.

F.H. DEACON & COMPANY, TORONTO.

Industrial Bonds—

	Maturity	Price		Yield
Dominion Iron & Steel 1st, 5s	1929	77	Over	8.00%
Penman's Limited, 5s	1926	88	Over	7.00%
Price Bros., Ltd., 5s	1940	77	Over	7.00%
Riordon Pulp & Paper 1st, 6s	1942	90	About	6.85%
Steel Co. of Canada, Ltd., 6s	1940	95	About	6.40%

Preferred Stocks—

F. N. Burt Company, Ltd.,	7% preferred at	105	To Yield	6.67%
City Dairy Company, Ltd.	7% preferred at	82	To Yield	8.48%
Can. General Electric	7% preferred at	95	To Yield	7.37%
Penman's, Limited,	6% preferred at	80	To Yield	7.50%
Steel Co., of Canada	7% preferred at	91	To Yield	7.60%
Porto Rico Railways Co.	7% preferred at	68	To Yield	10.30%

A. E. AMES & COMPANY, TORONTO.

Province of Ontario, 6% bonds due 1941. Price 98.29 and interest, yield 6.15%.

Province of Alberta, 6% bonds, due 1936. Price 98.06 and interest, yield 6.20%.

Town of Sudbury, 5% and 6% bonds, maturing 1921-41. Price: Rate to yield 6.75%.

We would in this connection especially suggest Dominion of Canada 5½% Victory Loan Bonds due 1st November, 1934. Price, about 95½ and interest, yielding approximately 5.99%.

BURNETT & COMPANY, MONTREAL.

Montreal Tramway 5% debenture stock at 65 yield 7.69%.
Can. Steamships 5% bonds, due ....1943 at 70 yield 7.85%.
Wayagamack Pulp & Paper, 6% bonds, 1951 at 77 yield 8.10%
Dominion Steel Corp., 6% preferred...... at 69 yield 8.69%.
Howard Smith Paper Co., 8% preferred .... at 92 yield 8.69%.
Quebec Rly., Light & Power, 5% bonds, 1939 at 63 yield 9.20%.

JOHN STARK & COMPANY, TORONTO.

Province of Ontario, 6% bonds, due 1935. Price, 99 and interest.

Province of Ontario, 6%, 20-year bonds. Price, 98.29 and interest, yield 6.15%.

Province of Alberta, 6% gold bonds, due 1936. Price, 98.06 and interest, yield 6.20%.

Clarke Brothers Paper Mills, Ltd., 7% 1st mortgage sinking fund bonds, due 1935. Price, 97 and interest, with a bonus of 30% in common stock.

Winnipeg Electric Railway Company, 7% cumulative preferred stock. Price, 90, yielding 7¾%, carrying a bonus of 30% in common stock.

We would suggest that your subscriber divide her investment, purchasing, say,—

$10,000 Province of Ontario either 1935 or 1941 bonds.
$10,000 Province of Alberta bonds.
$10,000 in 1933 or 1937 Victory Bonds.
$5,000 each in Clarke Bros. Paper Mills, Ltd., and Winnipeg Electric preferred stock.

DOMINION SECURITIES CORPORATION, LTD., TORONTO.

£500 Province of British Columbia, guaranteeing Can. Northern Pacific Railway Co., 1st mortgage 4% debenture stock, due 1950. Price, 67.37, yielding 6½%.

£500 Province of British Columbia, 4½% 1st mortgage terminal debenture stock, due 1950. Price 73.89 and interest, yield 6½%.

$14,000 Province of Ontario, 6% debentures, due 1930. Price, 99¼ and int.

$15,000 City of Port Arthur, Ont., 5% debentures, due 1937. Price 82.74 and interest, yield 6¾%.

£1,500 City of Saskatoon, 4½% stock, due 1961. Price, 73.13 and interest, yield 7%.

$25,000 P. Burns & Company, 6% first and refunding mortgage bonds, due 1931. Price, 94 and interest, yield 6.45%.

200 shares Robert Simpson Company, 6% preference shares. Price 80 and interest, yield 7½%.

L. C. BEAUBIEN & COMPANY, LTD., MONTREAL.

City of Paris, 6s (Canadian Loan) maturing 1930 at 96.50 and interest, yield 6½%.

Grand Trunk Pacific, 4% bonds guaranteed by the Grand Trunk Railway, maturing 1955, $65, yield about 6½%.

Dominion Iron & Steel Co., 5s, maturing 1929, at 78, yield about 9.75%.

Bell Telephone Co., 5s, maturing 1925, at 92, yield about 7¼%.

Wayagamack Pulp and Paper Co., 6s, maturing 1951, at 76¾, yield 8.10%.

Dominion Steel Corporation, preferred 6% at 69.

Winnipeg Electric Railway 7% preferred with 30% bonus common stock at 90.

Shawinigan Water and Power Co., common, 7% at 108.

Bell Telephone Co., common, 8% at 107.

GREENSHIELDS & COMPANY, MONTREAL.

At least 25-50% of the investment should be placed in Dominion of Canada Bonds. We would suggest that the following, which gives a good return considering the character of the security, would be well suited to the investment of the balance of her funds:

Province of Alberta, 6s, due 1936. Price, 98.06 and interest, yield 6.20%.

Dominion Iron and Steel, 5s, due 1929. Price, about 76 and interest, yield 9.10%.

Wayagamack Pulp and Paper, 6s, due 1951. Price about 77 and interest, yield 8%.

Dominion Steel Corporation, 6% preferred. Price, about 70, yield 8½%.

Canada Cement, 7% preferred. Price, about 94, yield 7.4%.

OSLER & HAMMOND, TORONTO.

	Rate	Price	Amount	Income
$10,000 Province of Ontario bonds	6%	98.29	$9,829	$600
$ 5,000 Ogilvie Flour Mills bonds	6%	94.	4,700	$300
100 shares Mackay preferred	4%	64.	6,400	$400
60 shares Can. Gen. Electric, pref.	7%	96.	5,760	$420
350 shares Canada Permanent	10%	173.	6,055	$350
100 shares Consumers Gas	10%	133.	6,650	$500
			$39,394	$ 2,570

W. A. MACKENZIE & COMPANY, TORONTO.

New Province of Ontario issue, 20-year, 6% bonds to be offered at 98.29, and accrued interest, yielding 6.15%.

City of Niagara Falls, 5½% bonds due 1921-1930, yield 6.50%.

City of Windsor, Ont., 5½% bonds due 1921-1930, yield 6.50%.

East Kildonan School District, Man., 6% bonds due 1921-1929, yield 7.25%.

Municipality of Assiniboia, Man., 6% bonds due 1921-1929, yield 7.25%.

King Edward Construction Company 8% preferred stock at par and accrued interest, carrying a bonus of 30% common stock. Under the leases and guarantees, which cannot be revoked or altered, the investment in this case is absolutely safe and desirable and will yield the investor 11%.

MORROW & JELLETT, TORONTO.

$10,000 City of Fort William, Ont., 4½% bonds, due 1940. Price, 76.70 and interest, yield 6.65%.

$15,000 Province of Alberta, 6% bonds, due 1936. Price, 98.06 and interest, yield 6.20%.

$10,000 Winnipeg Electric Railway, 7% preferred stock. Price $90.00, carrying a bonus of 30% in common stock.

Dominion of Canada, 5½% Victory Loan Bands, due 1934. Price, market (about 95 1-2 and interest.)

PELLATT & PELLATT, TORONTO.

Municipal Bonds (Townships and Cities).

Dominion Government War Loan Bonds.

Bank stocks, such as Imperial and Dominion, giving preference to the latter.

Dominion Iron Preferred which is selling at 72. This latter stock we look upon as perhaps the best industrial on the market at the price, and we feel it should be selling around 90 or even higher.

As Others See Us

A HAPPY SUGGESTION

(Montreal Herald.)

The address of Mr. Frank P. Jones, general manager of the Canada Cement Company, at the forthcoming annual meeting has been foreshadowed as to a part in the current issue of the Financial Post, to which publication Mr. Jones said he had arrived very firmly at the conclusion that the time had come when Canadian manufacturers should set before them the motto: "Produce at a price and a quality that will enable Canadians to buy in Canada." He suggests this to replace the peremptory phrase: "Buy in Canada."

This suggestion comes as a shaft of sunshine through a fog. Emanating from the active head of a great manufacturing concern it cannot be associated with free trade propaganda. It strikes the right note, and must be regarded as the most patriotic and statesmanlike utterance we have heard for a long time. He does not disparage the work of those who are urging us to buy all the goods we can in Canada, but he believes that the time has come when this argument alone will not be as effective as it has been.

This new slogan is the very thing that is wanted. What gives it extraordinary value is the undoubted fact that it will appeal to Canadians with much more force and produce better results than the idea which rests largely upon a policy of forcing Canadians to buy in the country by surrounding it on land and sea with a high tariff wall of protection. Canadians, most of them, are only too willing to purchase the products of their neighbors and fellow-citizens if these products are of good quality and sold at a reasonable price. Sufficient goods are imported from abroad under any tariff to permit of comparisons with home-made goods, and if the Canadian manufacturer keeps that in mind and "produces at a price and a quality that will enable Canadians to buy in Canada" they will give him the preference every time.

Most of the raw materials required to be imported from abroad are admitted free. Canadian workmanship ought not to be inferior. The Canadian customer is conscious of his right to choose what he shall buy, and if he finds that Canadian goods are up to the mark he will reward the adoption of this new slogan. If he has the conviction that he is being "done" because of reliance on a tariff wall he will find a way to express his resentment. Mr. Jones deserves to be decorated with an industrial V.C. for his happy suggestion.

CURRENT OPINIONS

ABOLISHING MONEY

(The Bankers' Magazine)

The Council of People's Commissioners has directed the Russian Finance Commissioners to prepare a plan within a month for the abolishment of money.—Associated Press.

During the reign of Lycurgus, in Ancient Greece, money was dispensed with, and the introduction of that now highly-valued adjunct of modern civilization was regarded as the beginning of the decline which finally reduced the enlightened Greeks to the position of vassals. For a time iron money was used, which was so heavy and of such little value that it had no great attraction or popularity.

If the love of money be regarded as the root of all evil, surely the goods which money will buy may become equally obnoxious. Only the miser who gloats over his hoards of gold cares anything for money of itself. Others want money solely for what it will buy. To make the abolition of money really effectual in bringing about the perfect conditions which many people imagine to be attainable, ownership of goods will have to be discarded also, and that experiment was tried by the Athenians. They also tried some of the other supposedly advanced ideas which are now being held out as a lure to those who are impatient of the restraints which are imposed by modern civilization. But these expedients did not save Greece. They are interesting now only as curiosities of a civilization which exists chiefly in the monuments it has left along with some noble philosophic ideals.

Man could exist without money. He could also exist, in the right kind of climate, without clothes or shelter. In the ultra realms of scientific thought there are those who claim that he can live without food. So far this claim awaits complete demonstration. But if our present complex civilization is to be maintained, if we are still to have and to enjoy the many things which money will buy, we shall find dollars of some kind quite handy things to have about.

Many people, observing how small a percentage of money enters into daily business transactions, have concluded that a system might be devised which would completely dispense with the necessity for using money at all. They fail to perceive that it is the comparatively small amount of money, always in the background but ever ready to discharge its functions, which premits the circulation of so much credit. Money is the touchstone by which the worth of the credit instruments is proved.

True enough, the Federal Reserve Act did abolish all legal requirements for holding money in the vaults of the national banks, but no bank, it is ventured to say, conducts its business without plenty of money on hand.

The perverseness of human nature can hardly be ascribed to money more than to lands, goods, houses, plate, dress, furs, jewels, automobiles and yachts. Abolish property in all these, and there is no certainty that man would be any better. In fact, rather creditable evidence exists that before property in these had become the fashion, man was far from that perfect being which the modern enemies of wealth imagine appertains to a position approximating a state of nature.

The attempt to make money the scapegoat for the world's ills only serves to illustrate once more humanity's fruitless endeavor to find a remedy for idleness other than work and for thriftlessness other than thrift.

ADVERTISING AGENCY RE-ORGANIZED

The reorganization of the advertising agency of McConnell & Fergusson into a new company to be known as McConnell & Fergusson, Limited, was announced this week. It is understood that the old firm has been incorporated into the new for the purpose of enabling it to look after the merchandising problems of its clients more efficiently. The company has offices at Montreal, Toronto, London and Winnipeg. The officers are: J. E. McConnell, president, and M. M. Fergusson, vice-president. A. R. Malton, formerly inspector of the Bank of Montreal, joins the board as an active executive officer.

Ogilvie Milling

The ninth in our series of analytic studies of Canadian Industrial Companies is devoted this month to the Ogilvie Flour Mills Company Limited.

This study discloses facts of rather unusual significance.

Copies on application

Greenshields & Co.
INVESTMENT BANKERS
14 King Street East, Toronto
Montreal ◆ Ottawa

Make the Most of Your Investments

When planning an investment, it is advisable to obtain the one which affords the maximum of security, the most convenient facilities for collecting interest, and the highest yield consistent with the two.

Such an investment is to be found in Canadian Government and Municipal Bonds, which, at existing prices, provide interest returns ranging from 6.10% to 7%.

Write for a list of these bonds.

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Toronto
Montreal
Winnipeg
Canadian Pacific Railway Bldg.
Toronto
Saskatoon
New York
London, Eng.

"Brief Review of the Canadian Income Tax Act"

Our Fourth Edition of the above booklet, showing all amendments and full explanation of the Act, is now available for general distribution.

Copies may be had at our office or will be mailed to anyone interested.

Crown Trust Co.
"A Trust Company for the Public's Service."
145 ST. JAMES STREET MONTREAL

NEW ISSUE

CITY OF ST. CATHARINES

6% COUPON BONDS

Maturities: 1922—1926

Principal and semi-annual interest (April 20 and October 20) payable in Toronto or St. Catharines. Denomination, $500 and $1,000

PRICE TO YIELD 6.40 PER CENT.

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How Safe is
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HOW often have we put this question to an investor who has asked us to value or re-adjust his holdings?

Where "ifs" and "possibilities" enter into the matter, safety simply cannot exist, and safety is the backbone of investment. No man is so rich or none so poor that speculation should interest him.

Why will you take your hard-earned money and place it where you are not only taking a chance with the interest, but the principal as well, when the same money placed in sound Canadian Bonds will return a fair income with absolute safety and freedom from worry.

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NEWS OF THE BOND MARKET

SASKATCHEWAN'S ISSUE INCREASED TO THREE MILLION

Province Called for Tenders and Beat Ontario's Price

COST BELOW 6¼%

Comparison of Prices Received For Two Issues Indicates Superiority of Open Sale Methods

Comparison of the price received by Saskatchewan for its $3,000,000 bond issue this week with the price received by Ontario for its $10,000,000 issue would seem to bear out the contention that the system of calling for public tenders for provincial and municipal bond issues is better than sale by private negotiation. Ontario paid 6.28 per cent. for its money and Saskatchewan paid slightly under 6.25. There is, of course, the fact that Saskatchewan's issue was $3,029,000 and Ontario's $10,000,000 to be considered, but this is offset by the fact that Saskatchewan is a smaller province and a Western province and that its bonds were for fifteen years as against Ontario's twenty years.

The Ontario bonds were offered to the public at 6.15 per cent. and the Saskatchewan issue at 6.10 per cent.

The two sales coming so closely together afforded an excellent opportunity for comparison and the comparison seems to be very much in favor of Saskatchewan's sale and method of sale.

The Dominion Securities Corporation, acting on behalf of themselves, the National City Company and Harris, Forbes and Company, were the successful bidders for the Saskatchewan issue, paying 97.637 for 6 per cent. fifteen-year bonds payable in Canada only. The issue was originally for $2,000,000, which was later increased to $3,029,999. Alternative bids were asked for bonds payable in Canada or in the United States and Canada and the following tenders were received by the province:

Payable in Canada Only.	
Dominion Securities Corporation, Ltd., on behalf of Dominion Securities Corporation, Ltd., National City Co., Harris, Forbes & Co.	97.637
Wood, Gundy & Co., and A. E. Ames & Co.	97.63
United Financial Corp., Ltd.	96.83
Harris, Read & Co., Canada Bond Corporation, Ltd., and Canadian Debenture Corporation, Ltd.	96.761
McNeill, Graham & Co.	96.597
W. A. MacKenzie & Co., R. A. Daly & Co., and Hanson Bros.	96.53
Brent, Noxon & Co.	96.337
Æmilius Jarvis & Co., Greenshields & Co., Nesbitt, Thompson & Co., and The Royal Securities Corp.	95.817
Payable in Canada and U.S.A.	
Wood, Gundy & Co.	98.63
J. A. Thompson & Co., A. E. Ames and Co., and Halsey, Stuart & Co.	98.59
Dominion Securities Corporation, Ltd., and Dillon, Read & Co.	97.73
Æmilius Jarvis & Co., Wells, Dickey & Co., and Merchants Trust & Savings Bank and First National Co.	96.80
W. A. MacKenzie & Co., and R. A. Daly & Co.	96.53
Harris, Forbes & Co., Inc.	95.63
Received after opening of the above tenders:	
Miller & Co., and Brandon, Gordon & Waddell	99.10

FORT WILLIAM PAPER BONDS

MONTREAL.—An offering of $1,000,000 first mortgage 8 per cent. serial gold bonds, issued by the Fort William Paper Company, Ltd., is announced by Peabody, Houghtling & Company, Chicago.

NO MONEY IN VICTORIES?

How much profit is there for bond dealers in Victory bond transactions? Here's a story apropos this point:

A Toronto newspaper man was in the office of a bond merchant. "There must be a lot of money in Victory bond trading," he remarked innocently.

"Do you think so?" The bond man smiled. "Last week I sold $55,000 of Victories to an institution outside the city. After the smoke cleared away, and I had paid my agent's commission, and all expenses I had $55 profit, or about 1/10 of one per cent. commission on the deal."

The newspaperman was surprised. He repeated the conversation to another bond man. The second bond merchant said, drily: "He was in luck. He made about $30 more than we could have made on a transaction like that."

WINDSOR HAD TROUBLE AWARDING THIS ISSUE

But Dominion Securities Got The Bonds on Second Calculation

After a great deal of consideration and calculation, which was interspersed with a hot controversy in the civic finance committee, Windsor awarded a miscellaneous issue of bonds, totalling $477,585, to the Dominion Securities Corporation at an average price of 94.63. When tenders were originally opened and calculated, a bid from W. A. Mackenzie & Company and R. A. Daly & Company of 94.54 was accepted. This bid had been wired in by the syndicate some six hours after the time set for receiving of tenders and its acceptance was strenuously objected to by representatives of other bond dealers. Later, however, after the bonds had been awarded to the Mackenzie-Daly syndicate, the city council discovered that the Dominion Securities Corporation bid was higher and re-awarded the issue to them on a basis of 6.45 per cent.

The bonds were in four blocks as follows:

$110,000, 5½%, 30 instalments.
$234,585, 5½%, 10 instalments.
$125,000, 6%, 20 instalments. Guaranteed by Ontario.
$8,000, 6%, 40 instalments.

Tenders received were as follows:

Dominion Securities Corp.	94.63
W. A. MacKenzie & Co., and R. A. Daly & Co.	94.54
Wood, Gundy & Co.	94.3
R. C. Matthews & Co.	94.2
Brent, Noxon & Co.	94.01
National City Co.	94.
United Financial Corp.	93.

CANORA SCHOOL PAYS DEBENTURE COUPONS

Arrears for 1919 and 1920 Paid Out of Money From Town

The Local Government Board of Saskatchewan reports that the Canora School District has paid in full the debenture coupons which were in arrears for 1919 and 1920. The money became available when the town of Canora paid to the school district at the order of the Local Government Board the sum of $19,116.30, being its share of $50,000 held by the town as the proceeds of a certain compromise, arising out of the arrears of taxes with respect to Graham interests in that vicinity. It is reported that the Union Bank, which held a note against the school district for the sum of $12,500, has been paid on such note the sum of $11,616, leaving a balance of $883.

THREE RIVERS' BONDS

A. E. Ames & Company, through their Montreal office, have bought a bond issue of $200,000 by the city of Three Rivers, Que. The bonds bear 6 per cent. and mature in 1925.

$4,000,000 ISSUE FOR MONTREAL HOTEL

8% Debentures Offered at Par With 40% of Common As Bonus

By Resident Representative.

MONTREAL.—The Canadian issue that will provide a portion of the capital required for the construction of the Mount Royal Hotel in Montreal was offered this week in the form of $4,000,000 of 8 per cent. convertible debentures at par with a bonus of 40 per cent. of common stock. All these debentures are to be converted into 8 per cent. cumulative preferred stock of the company on July 1, 1923. This debenture issue is subject to a first mortgage or bond issue of $3,000,000, to be increased later on to $4,000,000 when the final addition of 400 rooms is made to the hotel. The total debenture issue is $4,000,000 and the common stock will be issued to the extent of $5,000,000.

$3,000,000 ISSUE FOR SPANISH RIVER

By Resident Representative.

MONTREAL. — Officials of the Spanish River Pulp & Paper Company were in consultation here on Wednesday and Thursday of this week in reference to a new issue of bonds that will be made very shortly, amounting it is understood to some $3,000,000. These will be a long-term issue, maturing in twenty years, and the rate of interest will probably be 8 per cent., payable in Canada only. It will therefore be the intention to have them absorbed on the Canadian market. The name of a financial house prominent in floating similar issues in past years is associated with the new issue.

REGINA SCHOOL BOARD BORROWS FAVORABLY

Many Bids Received Resulting in Rate of 6.44 Per Cent.

A very large number of bids were received by Regina Public School Board for the block of $250,000 of 6½ per cent. bonds it offered for sale this week, and competition resulted in the board obtaining the funds at slightly under 6.50 per cent—6.44 per cent. to be exact.

The board asked for alternative bids for the issue in straight term bonds maturing in thirty years or thirty instalment bonds. The verdict seemed much in favor of the straight term bonds as the best bid received for the instalment type debentures was on approximately a 6.60 per cent. basis. Bids were also asked for bonds of American payment but only two tenders were received on this basis.

The issue went to the Canada Trust Company and the new house of McLeod, Young, Weir & Company. Tenders were as follows:

Straight Term Canadian Payment	
Canada Trust Co. and McLeod, Young, Weir & Co.	100.697
Wood, Gundy & Co.	99.646
A. E. Ames & Co., and Nay and James	99.199
Canadian Debenture Corp	99.02
Dominion Securities Corp.	98.417
Harris, Read & Co., Housser, Wood & Co., and Bell, Gowanlock & Co.	98.37
R. C. Matthews & Co., and United Financial Corporation	98.11
Æmilius Jarvis & Co.	98.067
Brent, Noxon & Co.	97.54
MacNeill, Grahame & Co.	97.09
W. A. MacKenzie & Co.	96.
Instalment Bonds, Canadian Payment	
Wood, Gundy & Co.	98.86
A. E. Ames & Co., and Nay & James	98.796
Dominion Securities Corp.	98.147
A. Jarvis & Co.	97.87
Straight Term Bonds, U. S. Payment	
Wood, Gundy & Co.	101.08
Brandon, Gordon & Waddell	97.50

January Bond Sales

January was a fairly active month in the Canadian bond market and permanent financing of provinces, municipalities, railways and corporations in the shape of bond issues totalled $39,401,522 in addition to temporary financing totalling $1,250,000. Bonds issued in Canada in January were as follows:

Municipal	$ 4,322,522
Provincial	17,029,000
Railway	12,000,000
Industrial	60,050,000
	$39,401,522

The chief issues were:

Provincial	
Manitoba	$ 2,000,000
Alberta	2,000,000
Ontario	10,000,000
Saskatchewan	3,039,000
Railway	
G. T. R.	$12,000,000
Corporation	
Consumers' Glass Co.	$ 550,000
Fort William Paper Co.	1,000,000
Mount Royal Co., Ltd.	4,000,000
Maritime Telegraph	500,000

BOND MOVEMENTS OF THE WEEK

Bonds—	Int. Rate.	Due. Year	Yield	Range 1921. High	Range 1921. Low	Latest Price Ask	Latest Price Bid	Wk. End. Jan. 25. High	Wk. End. Jan. 25. Low	Sales
Asbestos	5	1942	6.77	80	77	80	78¾	80	..	$ 3,500
Bell Telephone	5	1925	6.93	92	91¼	..	92	92	..	1,000
Can. Cement	6	1929	7.07	93	91½	..	93½	93	..	100
Ced. Rapids	5	1953	5.87	88	86	..	87¼	87	86	16,600
Dom. Coal	5	1940	6.23	87	86	87	86	86	..	500
Dom. Cotton	6	1922	8.15	96½	96	..	96	96	..	1,000
Mont. Trams. debs.	5	1922	8.15	96½	63¾	65⅛	64¾	65	..	17,500
Montreal, May, '23	6	1923	4.50	106¼	103	..	106	104	..	100
Do., Dec, '22	6	1922	4.40	106½	96½	..	106½	103	..	200
Ogilvie "B"	6	1932	6.83	93¼	..	..	93½	93¼	..	1,000
Do., "C"	6	1932	6.83	93¼	93	..	93½	93¼	93	2,000
Penman's	5	1926	7.28	89	85	89¼	89	89	..	5,200
Quebec Rly.	5	1939	8.85	64	59	63½	63¼	63½	62½	20,900
Rio	5	1935	7.58	78	*62	..	77	78	67	10,200
Riordon	6	1929	7.73	89	88	..	..	89	88	1,100
Sao	5	1929	8.90	78¼	70	76	75	75	73½	57,500
Steel Co.	6	1940	6.43	95	92½	95	..	95	93½	10,700
Wayagamack	6	1957	7.88	78¼	75	78	..	78¼	76¼	78,900
War Loan (1925)	5	1925	6.02	95½	92	..	95¼	95¼	94¼	35,700
Do., (1931)	5	1931	5.68	94½	90¾	95	94½	94½	93¼	80,100
Do., (1937)	5	1937	5.20	98½	94½	97⅞	97½	98¼	95¾	98,000
Victory (1922)	5½	1922	5.97	99¼	97	99¼	99⅛	99¼	98⅛	569,650
Do., (1923)	5½	1923	6.05	99	95½	97⅞	97½	99	98	292,060
Do., (1924)	5½	1924	6.58	98½	94¼	96⅝	96¼	97	96	407,550
Do., (1927)	5½	1927	5.68	99⅛	95¼	99	98½	99⅛	98	89,750
Do., (1933)	5½	1933	5.62	99	95⅛	99	98⅞	99	98	957,700
Do., (1934)	5½	1934	5.99	96⅛	92¼	95⅝	95¼	95⅞	95	1,152,000
Do., (1937)	5½	1937	5.53	100½	96½	99¾	99⅝	99⅞	98	871,400

*Small lots.

R.C. Matthews & Co
Canadian Government Bonds
Investment Securities
C.P.R. BLDG. TORONTO

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FIRST OF ALL, BUY
VICTORIES

Victory Bonds will form for you a solid, impregnable reserve. No other security obtainable in Canada has as great investment merit.

Buy Victory Bonds first; then buy other investments.

We will be glad to buy or sell Victory Bonds for you.

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VICTORY BONDS

Premier Canadian Security

TO YIELD FROM
5.68% to 6.38%

We advise the purchase of these Bonds
NOW.

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ESTABLISHED 1870
MEMBERS Toronto Stock Exchange
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Good Roads Debentures

The undersigned will receive bids up till noon on Thursday, the 10th day of February, 1921, for $52,878.59 worth of 6% interest coupon. Good Roads Debentures issued by the Rural Municipality of Rockwood, dated November 1st, 1920. Interest payable annually on November 1st each year. Debentures issued in sets running from one to thirty years. Bidders to state offer including accrued interest in Canadian Currency, payable at par at the Royal Bank of Canada, Stonewall. The Council reserves the right to reject any or all bids. For further particulars apply to the undersigned.

Dated at Stonewall, in Manitoba, this 24th day of January, A.D. 1921.

V. W. McFarlane,
Secretary-Treasurer,
Stonewall, Manitoba

RENE-T. LECLERC
INVESTMENT BANKER
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76 St. Peter Street,
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No proposal too small for courteous and prompt attention. None too large for our facilities.

Your business respectfully solicited

When selecting a Trust Company as an Executor, choose one whose fixed policy is to give
FINANCIAL ASSISTANCE
to Estates being administered by it
PAID-UP CAPITAL AND RESERVE........................ $1,172,000
The Imperial Canadian Trust Co.
EXECUTOR, ADMINISTRATOR, ASSIGNEE, TRUSTEE, ETC.
HEAD OFFICE: WINNIPEG
BRANCHES: SASKATOON, REGINA, EDMONTON, CALGARY
VANCOUVER AND VICTORIA

TOWN OF KENORA DEBENTURES

Sealed Tenders will be received by the undermentioned up to 12 Noon Tuesday, the fifteenth day of February, 1921, for the following Debenture Issues, Totalling $82,319.38:

Bylaw Nos. 756 and 773—Electric Utility 7% Instalment Debentures, Principal and Interest payable 1st day Aug. each year, in 15 equal annual instalments. Final instalment payable 1st Aug., 1935 .... $10,000.00

Bylaw No. 781—Waterworks, 20-year, 7%, $1,000.00 Debentures. Interest payable semi-annually on the 30th June and 31st Dec. Maturing 30th June, 1940 .... $20,000.00

Bylaw Nos. 770 and 772—Consolidated Debt, 33-year, 6½%, $1,000.00 Debentures. Interest payable semi-annually on the 30th June and 31st December. Maturing 31st day of December, 1953 .... $13,564.87

Bylaw No. 774—Electric Debenture, 10-year, 7%, $500.00 Debentures. Interest payable semi-annually on the 1st Feb. and 1st Aug. Maturing 1st day of Aug., 1930 .... $6,000.00

Bylaw Nos 768 and 775—Public Improvement, 7% Instalment Debentures. Principal and Interest instalments payable yearly on the 1st day of Aug. in 20 equal annual instalments. Final instalment payable 1st Aug., 1940 ..... $25,000.00

Bylaw Nos. 766 and 776—Local Improvement 7% instalment Debentures. Principal and interest payable 1st day Aug. each year in 20 equal annual instalments. Final instalment payable 1st Aug., 1940 .... $7,735.38

The above Debentures are payable both as to Interest and Principal at the Imperial Bank of Canada, Kenora, Ontario.

J. J. HOOPER,
Clerk and Treasurer.

Kenora, Ont., Dec. 3rd, 1920.

Sixty thousand spindles specially adapted to paper yarns are now operating in Germany producing clothing and wall-covering materials, according to Berlin cables.

Edmonton, Alberta, Canada

A large and fast growing wholesale business concern which has been doing business in Edmonton for the last nine years, with a turnover of over half million dollars, and wishing to expand field of operations, requires 10 to 20 thousand additional capital. Will give occupation to one or two working partners, and will stand strict investigation. All replies treated strictly confidential.

Box 73, FINANCIAL POST

UNDER NEW NAME

J. F. Stewart Heads Reorganized Investment House

The firm of J. F. Stewart & Company, who have been active dealers in bonds in Toronto for a number of years, have reorganized following the recent election of Mr. Stewart to a seat on the Toronto Stock Exchange.

The firm will now operate under the name of Stewart, McNair, Reid & Company, and will carry on a business in investment securities.

FIELD OF MUNICIPAL FINANCE

BONDHOLDERS OF HUMBOLDT OPPOSE RULING OF BOARD

Claiming Unfair Diversion of Trust Funds For Local Purposes

ASK RECONSIDERATION

Directs $21,000 to be Used for Equipment—May Reduce Waterworks Deficit

Bondholders of the town of Humboldt, Sask., are finding it hard to reconcile the statement of the Hon. George Langley, Minister of Municipal Affairs in the Saskatchewan Government, which appeared in last week's issue of THE FINANCIAL POST, to the effect that the Local Government Board's action "has always been taken as much in the interest of the bondholders as that of the municipalities themselves," with the late order of the board respecting this town's financial affairs. Under date of January 19 the board issued an order which directs that the sum of $21,000 now standing to the credit of the debenture trust account of the town of Humboldt be set aside and used by the town for the purchase and installation of certain machinery and equipment in connection with the waterworks plant.

This order has aroused a storm of opposition among the bondholders in the East, who claim that as the moneys were part of a fund of $57,000 held in trust, the order is an unfair and in fact illegal diversion of money which rightfully belonged to the debenture holders, and have appealed for a suspension of the order pending a further consideration of the matter.

The present financial difficulties of the town of Humboldt arise out of the ambitious schemes of development of former municipal officers, who put the town to great, and, as proven by subsequent events, unwarranted expense in connection with the establishment of a waterworks system and an electric light plant. These ventures, and particularly the waterworks system, were unsuccessful financially from the start, the water available unfortunately proving unfitted for domestic or commercial purposes. The system has never paid, and last year the deficit from the waterworks alone ran into some $33,000.

Costly Financing

The financing of the operations of these enterprises has proven a costly process, and the town has accordingly not made a payment on the outstanding debentures since March, 1919. At that time a distribution of $27,413 was made, and later inquiries by the Local Government Board elicited the information that no proper record of the application of this money was kept, the amount applied on interest and the amount on principal. At a meeting of government officials, representatives of the bondholders and the local municipal officers in October last, the bondholders endeavored to obtain assurance that the sum of $57,000 which was held in trust for the bondholders would not be used for other purposes.

LOCAL BOND SELLING PROVES SUCCESS HERE

St. Thomas City Treasurer Places Over $100,000 in One Week

St. Thomas has placed two more issues on the market for local sale, and is already having remarkable success in disposing of the debentures to investors in the city. The issues total $283,000 and in the first week of the offering over $100,000 of bonds have been sold.

The city treasurer of St. Thomas, S. O. Perry, claims to have introduced the "sell at home" plan of disposing of civic debentures some seven years and in the interval has sold a large proportion of St. Thomas' debentures by that plan.

ONTARIOS AT 5 PER CENT.

Prediction Made in Edward Cronyn's Financial Review

That Ontario bonds will again sell on a 5 per cent. basis is the opinion expressed in the Financial Review, issued by Edward Cronyn & Company. The Review says: "A large issue of Ontarios was made in December on a 6.65 per cent. basis. These bonds are now selling at par, an advance of about 6 points; that is a buyer of $10,000 would already be able to sell at a profit of about $600."

The opinion is expressed that high-grade securities are still much below their real value.

HAILEYBURY FACES MONEY STRINGENCY

Forced to Postpone Certain Interest Payments—Situation Temporary

The town of Haileybury, Ont., is endeavoring to hasten payment of interest on certain debentures, which were defaulted in November last, as the result of a peculiar combination of circumstances. When the time arrived for the meeting of these payments the town treasury had not an adequate supply of funds on hand, and payments had accordingly to be postponed. An official of the town attributes this scarcity of funds to the difficulty of collecting taxes at the end of the year, and to the fact that the town bankers had commenced to tighten up on the line of credit as far back as July last.

The situation is partially explained by the fact that large properties in the town are held by non-resident owners. In the past these have been prompt in meeting their tax payments. Last fall, however, the general business depression had the effect of delaying payments. Many workmen who had been employed in the mines of Cobalt had been forced into idleness through the scarcity of power in that district, and the closing down of mining operations in consequence. Tax payments were being made by this section of the population with the utmost difficulty.

Bondholders are assured by this official that the stringency is only temporary. The work of collecting taxes is being speeded up, and as soon as the money is available it is applied in paying off the arrears, which now amount to about $8,000. The total debenture debt of Haileybury stands at $233,690, and the interest on these amounts to about $32,000. During the year three debentures have been retired, and for the present year the annual payment will be reduced by $4,000. During the next three years seven different debentures will be fully paid off.

Money By-Laws

TENDERS WANTED

Feb. 15, Kenora.—$82,319.38, 6½ and 7%, 10, 15, 20 and 35-year, various debentures. F. J. Hooper, Clerk and Treasurer, Kenora. (See announcement elsewhere on this page.)

Feb. 11, Portage La Prairie.—$54,000 6%, 20-year waterworks and electric light debentures. W. R. Grieve, Secretary-Treasurer, Portage La Prairie.

Feb. 4, Brockville.—$143,964, 6%, 10 instalment debentures.

Feb 10, R. M. Rockwood, Man.—$52,378.59, 6%, Good Roads debentures, issued in sets 1 to 30 years. V. W. McFarlane, Secretary-Treasurer, Stonewall Man. (See announcement on page 12).

Feb. 7, Sarnia.—$86,000, for pavements $50,000 general hospital; $18,400 for collegiate; $10,200 for main sewers. H. A Blackburn, City Treasurer, Sarnia.

BY-LAWS PASSED OR DEFEATED

St. Vital, Man.—$75,000 for school construction. Defeated by the ratepayers on Jan. 19.

Township of York.—$20,000 for purchase of school site. Passed by the ratepayers on Jan. 31; $110,000 for erection of a school. Defeated by the ratepayers on Jan. 31.

DEBENTURE NOTES

Trail, B.C.—A by-law has been passed by the electors of the city authorizing the expenditure of $37,000 for extension and repairs to the waterworks system and debentures for this amount bearing 7 per cent. interest and payable in Trail Toronto or New York, will be issued shortly.

Marmora—Marmora will endeavor to sell her debentures for the reconstruction of the electric light system, amounting to $15,000, locally. Application has already been made for about $5,000 of the amount. The debentures bear 6½ per cent. interest.

TOWN INSTRUCTED TO PAY BONDS IN NEW YORK FUNDS

Decision is Against Municipality That Refused to Meet Promise

EXCHANGE PREVAILS

Holder of Bond Who Presents Coupon in Montreal is Entitled to American Money

By Resident Representative.

MONTREAL.—A most interesting case concerning the payment of bond interest in New York funds has been decided in the Superior Court at Montreal by Mr. Justice MacLennan, in an action brought by the Municipal Debenture Corporation against the town of Montreal North, one of the suburbs which is likely soon to be brought into the city. This action sought to recover an additional sum of $29.82 on 10 coupons, each amounting to $213.00. This extra amount the company claimed was due owing to the fact that the coupons were payable in New York as well as in Montreal and the benefit of exchange on the date when the coupons were presented for payment in New York, viz., May 1, 1920, would have given this additional sum on each coupon.

The judge found in favor of the plaintiff and ordered the town to pay the extra amount, thus establishing the claim of the company for the payment of its coupons in New York funds.

The town in its defence claimed that it was liable only for the face value of the coupon with interest in Canadian currency; that is, it never intended and never contracted to pay more than the face value of the coupons and was not liable for the exchange which would have the effect of increasing the claim of the principal; and moreover the variations in the rate of exchange "do not deprive the defendant of the right to pay its debt in Canadian currency."

After quoting a number of precedents the judge held that all were decided on the principle "that a creditor who brings action in an English court, to enforce payment of a claim for a fixed amount due abroad, is entitled to recover in English currency whatever sum, at the actual rate of exchange prevailing at the due date of the debt, would produce the amount of the claim in the currency of the place where it was due and payable." This principle is founded on justice. It gives the creditor just as much as he would have had if the contract had been performed. By the Civil Code (1152 and 1153) payment must be made at the place indicated in the contract and the debtor must pay the expenses attending payment. The words "expenses attending payment" are broad enough to include the cost of exchange in the conversion of Canadian into American currency when a Canadian debtor has to make payment of his debt in the United States. In the absence of any provision in the contract providing for a fixed rate of exchange; there is none here regarding payments in New York although there is as to England—the rate which prevailed when the debt became payable must be applied.

EXPECT ALBERTA WILL FINANCE IRRIGATION

This is the Latest Guess of Those Backing Lethbridge Northern

EDMONTON.—Irrigation enthusiasts are speculating as to the policy of the government in regard to giving more substantial financial backing to such projects as the Lethbridge Northern irrigation scheme. A government pronouncement as to its policy is expected shortly.

The latest guess is that the Alberta government will finance the Lethbridge Northern until that district is firmly established, until the farmers have proven their ability to pay back what they have borrowed to build the ditches and until on that basis the government is able to sell the present Lethbridge Northern bond issue in the open market at a price that is satisfactory to all concerned and that will set a price for Alberta irrigation bonds in the money markets to which Alberta turns for its financing.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date.	Place.	Sold to	Rate.	Term.	Amount.	Price	Basis.
Jan. 28.—	Windsor	Dominion Securities Corporation	5½ & 6%	10-40-in.	$ 477,585	94.63	6.45
Jan. 29—	Three Rivers	A. E. Ames & Co.	6%	5 yrs.	200,000	....	...
Jan. 31—	St. Thomas	Locally	....	......	283,000	....	...
Feb. 1—	Regina School	Can. Trust Co. and McLeod, Young, Weir & Co.	6½%	30 yrs.	250,000	100.697	6.44
		Provincial					
Jan. 28.—	Saskatchewan	Dom. Securities, National City Co. and Harris-Forbes	6%	15 yr.	3,029,000	97.637	6.24
		Industrial					
Jan. 29.—	Fort William Paper Co.	Peabody, Houghtling	8%	....	1,000,000	....	...

Deflation

Deflation of commodities and merchandise means easy money and lower interest rates. Lower interest rates mean higher prices for investment bonds. Purchasers under present conditions should reap a handsome appreciation in value over a reasonable period of time, enjoying absolute safety with excellent interest rates in the meantime.

Ask us to mail you a copy of our "Bond Analysis." Investors will find it decidedly interesting.

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Net Assets, exclusive of good-will, equal to over $130 per share.

Earnings have been growing rapidly for the last five years, and last year were equal to over 22 per cent. after all charges.

At present price this security will yield 8¾ per cent.

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Canada's *Zenith* Company
Authorized Capital - $500,000.00
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Policies issued by the Society are for the protection of your Family and cannot be bought, sold or pledged.
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W. H. HUNTER, President.
HEAD OFFICE - TORONTO

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APPLICATION FOR AGENCIES INVITED
TORONTO: 20 KING ST. W. W. H. George, Superintendent of Agencies

1870 --- OUR GOLDEN JUBILEE --- 1920
FIFTY-ONE YEARS OF STEADY PROGRESS
One of the most brief yet impressive histories of Canadian financial institutions is contained in the annual record of the Mutual Life of Canada. The current issue will be ready in a few days. A copy will be sent to you on application. It contains fifty-one successive summaries showing in ten parallel columns the increase from year to year of the company's various receipts, expenditures, etc. No other document could better convey the idea of solid uniform achievement, and the momentum of the advance is now greater than ever. The prospects are bright for a still more rapid expansion within the next few years. The assets of the company exceed $40,000,000 and the assurances in force have reached $206,000,000. There is a gross surplus of more than five million dollars over and above the amount necessary to guarantee all policies, so that the position of the company in spite of the strain of recent years is one of uncommon strength.
THE MUTUAL LIFE ASSURANCE COMPANY OF CANADA, WATERLOO, ONTARIO
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INSURANCE AND REAL ESTATE

MAY WIDEN SCOPE OF ALL CANADIAN INSURANCE CO.'S

To Permit Them to Issue Any or All Classes of Insurance Contracts

A DRASTIC CHANGE

Legislation Now Considered—Little Prospect That Canadian Companies Will Take New Business

By H. R. STEPHENSON.

General Manager Crown Life Insurance Co. Paper read before Toronto Insurance Institute.

The question of Canadian life insurance companies issuing health and accident contracts has just recently come within the range of practical politics as a result of the amendment to the Dominion Insurance Act, which has been prepared, and will probably become law at the next session of Parliament. The amendment permits insurance companies, under certain conditions, to issue any or all classes of insurance contracts. This change proposed seems quite a drastic one, and likely to have far-reaching results, and yet, so far very little public discussion of it has taken place.

At the present time in Canada the business of life insurance is conducted almost entirely by companies which confine their operations to it, because ever since the year 1882 no Dominion license has been granted to a company to carry the business of life insurance in combination with other classes. There are, however, a few companies still operating under the renewal of licenses granted prior to that date, which issue other kinds of policies as well as life policies. This situation is in striking contrast to the situation in Great Britain, where licenses are issued to include widely different classes of insurance, so that composite companies are there the rule rather than the exception. In the United States the laws of many of the most important states permit a greater variety of the classes of insurance to be transacted by one company than is permitted by the law of Canada, although there is less latitude in this respect than under the laws of Great Britain.

At the present there is nothing to prevent a Canadian insurance company from establishing a subsidiary company under another name to carry on a different class of insurance, the stock of the subsidiary company being subscribed by the shareholders of the original company, or withdrawn from the shareholders' surplus of the original company. This is exactly what happens under the provisions of the amendment except that the subsidiary will not have a separate name, and there will be less formality and expense connected with its establishment; yet it will exist as a comparatively separate company within the original company. The proposed amendment also makes provision for a mutual company establishing a subsidiary, which as the law stands at present might be difficult.

To Maintain Separate Funds

Under the amendment not only is a separate life insurance fund to be maintained, but the actual moneys and securities, which comprise the assets of that branch, must be earmarked and kept separate. This is a departure from the provision in Great Britain where separate funds are most strictly maintained, but the actual physical assets are not separated.

It is questionable whether the amendment as it now stands should not be changed in conformity with the British Act. The only advantage to be gained from a separation of the physical assets would be a greater convenience in winding up the affairs of one of the branches separately. This problematical advantage is far outweighed by the very obvious inconvenience which such a system would entail. It may also be pointed out that in the case of a small fund invested in separate securities, the chance of loss owing to the collapse of any one security is greater than if the investment of all the funds are pooled.

If a life company decides to undertake any additional class of insurance, then what is to all intents and purposes a new company is created as an offspring from the parent company. A rib is extracted from the parent's anatomy, namely, the initial fund of $50,000 or more, and this forms the nucleus of the helpmeet, after which the two individuals pursue their respective ways, co-operating with each other but distinctly separate as to property. Reverses may overtake the one without affecting the security of the other. Yet both will be controlled by the one body of shareholders and directors and will no doubt employ the one agency force.

The sum required to be set aside as the initial fund of a new branch is fixed at a minimum of $50,000, and this must be obtained from the shareholders' surplus or from the policyholders' surplus. Only a few of the Canadian companies have any considerable amount of surplus standing to the credit of the shareholders, so that a number of them would certainly experience difficulty in obtaining the necessary sum from the shareholders' funds unless they expect to call for new subscriptions. On the other hand, most companies hold large surpluses to credit of policyholders but the bulk of such surplus is virtually a sinking fund which must be reserved to pay dividends on the quinquennial and deferred dividend policies, when the dividend periods mature, and is therefore not available to be transferred. Under the provision of the amendment not more than 25 per cent. of the entirely free and unallotted surplus may be transferred, and only on condition that the share of the profits earned by the new branch is to be paid into the original company. It is probable that the stock companies will be reluctant to invest part of their surplus fund in the establishment of a new branch.

It may be mentioned here that transfers of funds from the shareholders' surplus may be made at any time and in any amount, but the amount which at the commencement may be transferred from the policyholders' surplus subject to the policyholders' consent and within the maximum of $100,000 cannot be augmented by a similar transfer at a later date until the same has been formally approved by the treasury board.

Position of American Companies

Under the Canadian amendment as it stands requiring separate capital, separate securities and separate funds, as well as separate accounts, it is doubtful whether many of the American companies will be able or willing to obtain an enlargement of their licenses in Canada. Obviously the Canadian department has no power to enlarge the corporate powers granted to an American company by its native jurisdiction. Another matter to be inquired into by Canadian companies, which desire to operate in the United States, is whether their application for license there would in any way be prejudiced by the separation of the funds according to this amendment.

The main question to consider is to what extent or how soon are the Canadian companies likely to avail themselves of the opportunities which the amendment presents to them of entering upon new classes of insurance. I have discussed this with a number of men connected with various companies. Few of them are prepared to say just what new classes, if any, their companies are likely to undertake.

The consensus of opinion is that the life companies are not likely to undertake, for the present at least, such classes of business as fire or surety insurance, for example, which are not at all nearly related to life insurance. Neither does it seem likely that the fire and casualty companies will quickly enter upon the new business of life insurance.

A NEW RECORD FOR INSURANCE WRITTEN

One Canadian Company Begins the Year With Large Increase

To what extent the present depression in business will affect the business of life insurance companies has been the subject of speculation for some time past. Last year was a record year as far as new business written was concerned, but the opinion has been general that with business now in the course of readjustment and with the future generally uncertain, the buying power of the average individual would be curtailed and therefore his attention detracted from insurance. This theory is not upheld by the experience of one of Canada's largest insurance companies, which reports an increase of more than $1,000,000 in the volume of insurance written in the first three weeks of the present year as compared with the corresponding period a year ago. It is interesting, too, to recall that at this time last year the life insurance companies were well in their stride to largely increased business.

EXPECTS INCREASED BUSINESS IN 1921

President of North American Life Sees No Decline in Life Insurance

There has been much speculation among insurance men and others as to the immediate future of life insurance. Some doubt has been expressed if the companies could continue to write life insurance at the rate that has prevailed for the past two or three years. In view of this, the optimistic forecast of Mr. L. Goldman, president of the North American Life Assurance Company, is timely. Mr. Goldman points out that during 1920 his company had written $24,363,971 of business, and he adds: "We are starting out this year very hopeful of exceeding that amount."

"Life insurance is understood and appreciated by the people of this continent as never before and therefore we have reason to hope that the same happy conditions that have prevailed in this business for the past two years will continue. My reasons for expressing this hope are that larger incomes are now enjoyed by so many people, enabling them to make greater provision in case of their death than formerly. People with investments and an estate can by means of life insurance provide for depreciation in their investments, as well as for Government succession duties, which are becoming progressively heavier. There are also other contributing factors, notably the increasing confidence of the public in life insurance as an institution. It is gratifying to learn that all the Companies have shared to a greater or lesser extent in the remarkable expansion in new business during the past year. That the life insurance business has grown so enormously is certainly a healthy indication of thrift and forethought on the part of the people of the Dominion of Canada, qualities that have not been too conspicuous in other directions."

As showing the trend of investments of life insurance companies, comparative figures of the distribution of assets and interest yield of the North American Life, as presented by the president, are interesting. For 1915 and 1920 they were as follows:

	1915	1920.
Mortgages on real estate.	29.38	22.45
Real estate and bldg. fund	1.05	.68
Bonds and debentures	36.22	50.06
Stocks Owned	11.70	9.21
Loans on policies	15.25	11.53
Fire premiums paid re Mortgages	.01	.01
Cash in banks—cash at head office	2.27	2.16
Suspense account	....	....
Other Assets		
Outstanding and deferred premiums	2.32	2.47
Interest due and accrued; rent due and accrued..	1.73	1.43
Special deposit	....	....
Rate of Interest Earned on Investments		
	1915. %	1920. %
Mortgages on real estate.	7.30	7.61
Bonds and debentures ...	5.37	5.40
Stocks	6.11	6.38
Loans on Policies	5.63	5.95
On total assets	6.09	6.07

INCREASED BUSINESS FOR MONARCH LIFE

A Gain in Income of Over $190,000—Outlook is Bright

The report of the directors of the Monarch Life Assurance Company, submitted to the policyholders and shareholders at the company's annual meeting in Winnipeg last week, indicated that the year recently closed had witnessed remarkable progress and expansion on the part of this company. During 1920 the total income was $859,548, a gain over the previous twelve months of $190,864. The total amount of insurance written during the last twelve-month period was $8,171,239, and the gain in insurance in force amounted to $5,435,631.

This company is reported as being between one and two years ahead of its own programme of expansion. With reference to the prospects for the future, Managing Director J. W. W. Stewart stated that he anticipates during the next four years as much progress will be made as during the past fourteen. The insurance in force now totals some $25,000,000 and the expectation is that this amount will be doubled by 1925.

The assets of the company now amount to $1,819,453, a gain over the previous year of $473,047. The company last year took advantage of the favorable investment opportunities and the interest rate earned reached 7.60 per cent. The mortality claims were only 30 per cent. of the expected, amounting in the year to $58,852.

SOLDIERS PAYING UP

REGINA.—Officials of the Soldier Settlement Board are much pleased at the manner in which soldier-settlers are repaying their loans. Collections up to date amount to $91,960 and many are paying their loans in full instead of by instalments.

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HEAD OFFICE, TORONTO, ONT.
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Losses Paid Since Organization - - - - $77,000,000.00
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Assets over - - - $4,300,000.00
Losses Paid Since Organization, over - - - $47,000,000.00

The Western Empire
Life Assurance Company
Head Office: 701 Somerset Bldg., Winnipeg, Man.
Men of proven ability would do well to write for particulars of the Agency Contract the Company is prepared to offer. Several District Managers required to cover exclusive good territory at a number of Western points.
Branch Offices:
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WILLIAM SMITH, Managing Director.

Tenders for Group Life Insurance

Pursuant to Section 6 of The Ontario Public Service Superannuation Act, tenders for a policy contract covering group life insurance upon employees in The Ontario Public Service will be received by The Public Service Superannuation Board to February 15, 1921. Companies tendering will submit premium rates and drafts of policies of group insurance. The Board reserves the right to refuse any or all tenders.

Such information as may be required may be obtained on application in writing to the Secretary of the Board, Parliament Buildings, Toronto.

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£400—City of Calgary 4½% Bonds, due 1930, at 83½..7.00%
£200—City of Calgary 4½% Bonds, due 1940, at 74....7.00%
£900—Calgary Power 5% Bonds, due 1940. Payable in New York, at 76......7.35%
£5000—Canada Atlantic Ry. 4% Bonds, due 1955, Dominion Government obligation. Payable in New York, at 65½..............6.55%
£2000—Duluth, Winnipeg & Pacific Ry. 4% Registered Stock, due 1939, now Canadian National Rlys., at 67.7.25%
£400—City of Edmonton 5% Bonds, due 1933, at 83½..7.00%
$10000—Canadian Light & Power 5% Bonds, due 1949, at 57½..................9.25%
£3000—G.T.P. 4% Bonds, due 1955, Dominion Government obligation. Payable in New York, at 65¾............6.50%
£3000—G.T.P. 4% Bonds, due 1939, Guaranteed by Province of Saskatchewan. Payable in New York, at 77¼.6.10%
$1000—Montreal Street Railway 4½% Bonds, due 1922, at 95 ....8.00%
$10000—Northern Ont. Power 6% Bonds, due 1931. Payable in New York, at 78¾.9.30%
£1000—Price Bros. 5% Bonds, due 1940. Payable in New York, at 81½ 6.70%
16—Shares Nova Scotia Steel 8% Preferred, at 95......8.42%

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Makes the difference between profit and loss. Consult us when considering investments.

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C.P.R. BLDG. TORONTO

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND of THREE per cent., upon the paid-up Capital Stock of this Institution, has been declared for the current quarter, payable on and after Tuesday, the FIRST DAY OF MARCH next, to Shareholders of record of 31st January, 1921.

By order of the Board,
FREDERICK WILLIAMS-TAYLOR,
General Manager.
Montreal, 21st January, 1921.

The Royal Bank of Canada

DIVIDEND NO. 134

NOTICE is hereby given that a Dividend of Three Per Cent. (being at the rate of twelve per cent. per annum) upon the paid-up capital stock of this bank has been declared for the current quarter, and will be payable at the bank and its branches on and after Tuesday the first day of March next, to shareholders of record at the close of business on the 15th day of February.

By order of the Board,
C. E. NEILL,
General Manager.

Montreal, Que., January 14, 1921.

THE BANK OF TORONTO

DIVIDEND NO. 158

NOTICE is hereby given that a **Dividend of Three Per Cent.** for the current quarter, being at the rate of **Twelve Per Cent. per annum**, upon the Paid-up Capital Stock of the Bank, has this day been declared, and that the same will be payable at the Bank and its Branches on and after the **first day of March next** to Shareholders of record at the close of business on the 9th day of February next.

By Order of the Board.
THOS. F. HOW,
General Manager.

The Bank of Toronto, Toronto,
January 26th, 1921.

Wayagamack Pulp & Paper Company, Limited

DIVIDEND NO. 5.

NOTICE is hereby given that a dividend of ONE AND ONE-HALF (1½%) per cent. has been declared on the Capital Stock of the Company for the Quarter ending 28th February, 1921, payable 1st of March, 1921, to Shareholders of record at the close of business on the 15th February, 1921.

By Order of the Board.
E. L. WILSON.
Secretary.

THE CANADIAN BANK OF COMMERCE

DIVIDEND NO. 136

NOTICE is hereby given that a dividend of Three per cent., upon the capital stock of this Bank, being at the rate of twelve per cent. per annum, has been declared for the quarter ending 28th February next, and that the same will be payable at the Bank and its Branches on and after Tuesday, 1st March, 1921, to shareholders of record at the close of business on the 13th day of February, 1921.

By Order of the Board.
JOHN AIRD,
General Manager.
Toronto, 21st January, 1921.

FIFTY YEARS OF SUCCESS FOR ONTARIO LOAN

President McClary Refers to Outstanding Features of Record

RESERVES PILED UP

These Now Amount to 128 1-2 Per Cent. of the Paid-up Capital—Profits Increased During the Year

The splendid record of the Ontario Loan and Debenture Company during a half century of service in the mortgage field is referred to with justifiable pride by President John McClary in the golden jubilee report of that organization. Over the whole period dividends have averaged over 7½ per cent. to the stockholders and a surplus equal to 128½ per cent. of the paid-up capital has been built up, a record which, as Mr. McClary points out, is second to none. As for the situation during the past year it is explained that "investments in bonds and debentures have increased, but latterly good mortgages have been offered in larger volume at fair rates and attention is again turning to this class of security."

The company had a very profitable year, showing net earnings of $279,893 as compared with $270,837 in 1919 and $267,291 in 1918. In addition to the profits stated there was an additional $23,000 realized from the sale of the company's old office building, making, with the surplus brought forward, a total of $335,517 for distribution. In addition to the usual 9 per cent. a surplus of 1 per cent. was paid, taking $175,000, and, after deductions for taxes, $100,000 was added to the already high reserve and the balance of $31,653 carried forward. Following are comparative figures for the past three years:

	1920	1919	1918
Profits	$279,893	$270,837	$267,291
*Surplus	23,000	......	......
Bal. forward	32,624	43,942	50,703
	$335,517	$314,779	$318,469
Distribution—			
Dividends	$175,000	$157,500	$157,500
Reserve	100,000	100,000	100,000
Patriotic	......	1,500	3,000
War Tax	28,864	23,155	14,027
Balance	31,653	32,624	43,942
	$335,517	$314,779	$318,469

*Surplus realized from sale of old office building.

Following are features of the company's earnings record for the past eight years:

Year	Paid-up Capital	Profits	Div.	Profits Cap.	Earn. Rate
1920	$1,750,000	$279,893	10	15.9	7.1
1919	1,750,000	270,837	9	15.4	7.1
1918	1,750,000	267,766	9	15.3	7.2
1917	1,750,000	268,291	9	15.3	7.3
1916	1,750,000	268,603	9	15.3	7.6
1915	1,750,000	270,583	9	15.4	7.8
1914	1,750,000	257,791	9	14.7	7.7
1913	1,750,000	253,736	8½	14.5	7.8

Deposits Increased

An interesting feature of the balance sheet is the increase in public deposits from $825,413 to $1,037,785. Sterling debentures were lower by nearly $300,000 but currency debentures were higher by close to $500,000. Thus total liabilities to the public increased from $3,249,473 to $3,642,094. Total assets increased from $7,132,790 to $7,717,498.

The enlarged funds were invested in bonds and debentures, as explained by the president, the total funds at the end of the year devoted to mortgages being smaller than a year before. Real estate foreclosed or brought to sale was materially reduced as was the balance of cash in British banks.

U. S. WHEAT PRODUCTION

1920 Production 100,000,000 Bushels Above Pre-war Average

Wheat production in the United States in 1920 again exceeded that of any other nation, amounting to 787,000,000 bushels, or 100,000,000 more than the pre-war average and twice as much as was raised by any other country for which statistics are available, according to the National Bank of Commerce in New York. The aggregate output of those countries declined 71,500,000 bushels below prewar averages, while at the same time United States crop was nearly 150,000,000 bushels less than the 1919 record, the bank shows in the February number of its magazine, Commerce Monthly.

PULP IN ALBERTA

Plenty of Pulpwood to Justify Erection of Mill

T. A. Burrows, owner and manager of the Phoenix Lumber Company of Manitoba and Saskatchewan, in speaking recently of the pulp industry of Alberta, stated that there was plenty of pulpwood along the Saskatchewan River west of Edmonton to warrant the construction of a large mill. He pointed out that before these lumber resources could be utilized it would be essential that power be developed along the Saskatchewan River at Rocky Mountain House or some other favorable location. Commenting on this phase of the industry he stated that the development of the pulp industry had proven conclusively that water power was necessary to make the industry a success, and he expressed the opinion that there was plenty of water power.

VICTORIA LOAN HAD LARGER DEPOSITS

Debentures Also Increased—Profits Made New High Mark For Year

A further increase in profits marked a successful year for the Victoria Loan & Savings Company, the figure being $77,582 compared with $75,346 in 1919 and only $58,774 in 1918, which, however, was the best showing up to that time. There was a further increase in the paid-up capital on which there was a premium of $16,000 which in addition to $9,466 brought forward made a total of $103,048 available for distribution. The dividend rate having been increased from 8 to 8 1-2 per cent., and there being a larger paid-up capital, dividends took $51,806 and after $42,000 had been added to the reserve the surplus of $9,242 was carried forward. Following are comparative figures for the past three years:

	1920	1919	1918
Profits	$ 77,582	$ 75,346	$ 58,774
Bal. forward	9,466	10,109	5,263
Prem. on stk.	16,000	36,410	15,757
	$103,048	$121,865	$ 79,794
Dividends	51,806	42,399	34,685
Reserve	42,000	70,000	35,000
Balance	9,242	9,466	10,109
	$103,048	$121,865	$ 79,794

Features of the company's earning record for the past six years follow:

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Pr. Cap.	Earn Rate
1920	$640,000	$77,582	8½	12.5	9.1
1919	600,000	75,346	8	14.2	9.9
1918	500,000	58,774	7½	11.7	8.8
1917	447,475	54,554	7½	12.4	9.4
1916	400,000	50,234	7½	12.4	9.0
1915	400,000	46,700	7½	11.6	8.5

Collections Were Satisfactory

In his annual report to the shareholders the president, William Flavelle, refers to the fact that the rapid fall in commodity prices delayed marketing by the farmers but, in spite of this, collections of interest were in a highly satisfactory condition. He also referred to the purchase of twenty feet of property adjoining the present office to increase the company's accommodation but adds that, on account of the excessive building costs, it was decided to take no action with respect to building operations until the spring of this year.

During the year assets increased from $3,105,119 to $3,292,848. There was an increase of about $10,000 in debentures outstanding and over $130,000 in deposits. The increased funds were largely invested in mortgages and bonds. The statement shows that the shareholders now have more than $1,000,000 in the company's business which should be well regarded by depositors and clients. The paid-up capital is $640,000 and the reserve fund $362,000.

STANDARD TRUSTS INCREASED ASSETS

Profits Smaller Than Last Year But Substantially Above 1918

Profits of the Standard Trusts Company for 1920 were $101,823. This showed a decline as compared with $111,004 in the previous year but was still substantially above the $93,785 shown for 1918. Dividends took $90,000 and the balance was carried forward, increasing the surplus of profits from $26,645 to $38,468. Following are comparative figures for the past three years:

	1920	1919	1918
Net profits	$101,823	$111,004	$ 93,785
Bal. for'd	26,645	5,641	27,158
Prem. on stock	......	......	62,500
	$128,468	$116,645	$183,443
Dividends	90,000	90,000	77,803
Reserve	......	......	100,000
Balance	38,468	26,645	5,640
	$128,468	$116,645	$183,443

The report of the directors as presented at the annual meeting of the shareholders at Winnipeg showed a considerable increase in assets during the year. Company, trusts and agency assets amounted to $16,438,282 at the close of the period as compared with $13,237,590 a year before.

Lieutenant-Governor Sir James Aikins, who is one of the shareholders, spoke of the work of the company during the year and the good prospects for the future, as normal conditions return. He congratulated the directors on the sound position in which the company was established.

SMALLER PROFIT FOR LONDON AND CANADIAN LOAN

But Showing Was Better Than Was Made in 1918

MORTGAGE LOANS

Made a Small Increase During the Year—Cash Reserves Show Substantial Increase

Although the earnings of the London and Canadian Loan and Agency Company, Limited, at $359,650 were smaller as compared with $364,911 for the previous year, they were still substantially above the showing of $341,499 for 1918. There was an increase in management charges but a decrease in agency expenses. Interest payments were higher, as were taxes, so that after the payment of dividends at 9 per cent. and the apportionment of $50,000 for the reserve fund, the surplus of profits was reduced from $25,619 to $11,040. Following are comparative figures for the past three years:

	1920	1919	1918
Gross earn.	$359,650	$364,911	$341,499
Bal. forward	25,619	24,981	21,997
	$385,269	$389,892	$363,496
Management	26,055	22,973	22,315
Agency exp.	28,633	31,698	26,905
Interest	138,115	134,589	128,132
Red Cross	......	......	2,500
Dividends	112,500	112,500	100,000
Taxes	18,926	12,513	8,663
Rest	50,000	50,000	50,000
Balance	11,040	25,619	24,981
	$385,269	$389,892	$363,496

The net profits of $147,922 compared with $163,138 in the previous year and represented 6.6 per cent. on investment as compared with 7.7 per cent.; earnings on investment were at the rate of 12.2 per cent. and 13.0 per cent. for the two years respectively. Following are features of the company's earnings record for the past seven years:

	Gross Earnings	‡Net Profits	*% Earned	% of Cap.
1920	$359,650	$147,922	6.6	12.2
1919	364,911	163,138	7.7	13.0
1918	341,499	152,984	7.2	12.7
1917	348,345	163,979	7.9	13.1
1916	359,080	159,284	8.0	12.7
1915	374,129	188,361	9.8	14.7
1914	366,102	177,546	9.6	14.2

‡After deduction of provincial, municipal and war taxes and expenses.

*Earned on capital, reserve and balance at credit of profit and loss at beginning of year.

During the year applications for loans on mortgages were accepted and renewed to the amount of $734,995 on real estate valued at $1,924,000.

There was a very slight increase in loans on mortgage, which now comprise $4,393,967 of the assets, compared with $4,381,380. Dominion of Canada securities held amount to $228,314, and other Canadian securities $133,606, compared with a total of $461,332 of securities held a year ago. Cash in chartered banks amounts to $288,046, against cash held a year ago, $237,866. Total assets are $5,067,253, compared with $5,085,872. Debentures and certificates have very slightly increased in the liabilities column, being $2,357,838, compared with $2,345,155. Capital stock fully paid is unchanged at $1,250,000, while the reserve fund has been increased to $1,000,000 from $950,000.

HOOVER ON EUROPE

400,000,000 People Changing to Lower Living Standard

Herbert Hoover said at a meeting of Members' Council of Merchants' Association, in New York, that the whole 400,000,000 people in Europe are gradually sinking into a lower standard of living than we had ever contemplated in our generation. And thus the world is not suffering from overproduction, it is suffering from underconsumption. * * * Recovery cannot take place and our surplus goods cannot be consumed unless we are prepared to take some hand in the situation in Europe. We must come to some method by which we can give assistance on a proper and suitable foundation of business. To me all such measures fall into three classes: The first are those emergency measures undertaken by our Government soon after the armistice, and Government assistance cannot continue for long for a hundred reasons; the second is sheer charity, that is only justifiable in an emergency of complete helplessness; the third is by building up the normal processes of business, and in that alone lies any permanency and any real recovery to the world situation.

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consisting of Railroad Bonds: Paris, Lyon & Mediterranean R/R.,—du Midi R/R.,—d'Orléans et du Nord R/R., at par and interest, payable in francs.

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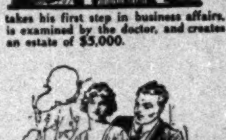
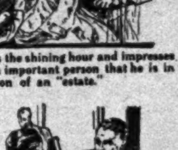
MONTREAL

The New Twenty-year Capital Return Policy

(Issued by The Canada Life)

A Young Man and His Future


He takes his first step in business affairs, is examined by the doctor, and creates an estate of $5,000.


He improves the shining hour and impresses upon an important person that he is in possession of an "estate."

His tendency to save and invest is noted by his employers.

He finds his savings of great assistance in buying a home.—

And as time goes on he is enabled to enjoy many of the good things of life.

Absolutely guarantees the return at the end of twenty years of all annual deposits, with accumulated profits, after giving you insurance protection for twenty years.

Easily Understood:

1st. Deposits are made yearly. This is what you are *saving*, and at the end of 20 years the Canada Life *guarantees* the return of every dollar paid in.

2nd. Your life is insured from the day you make the first deposit,— for $5,000, or whatever amount you decide.

3rd. Profits are paid at stated intervals in addition to the return of all deposits at the end of 20 years.

4th. These profits may be used to reduce the amount of your yearly deposits, or be allowed to accumulate at interest for 20 years.

5th. The cash value of Policy and Profits represents a valuable asset, useful in business, and your "estate" is protected by the insurance.

6th. At the end of Twenty Years you can draw out all you have paid in, along with the profits—

---or---

you can draw a Special Cash Guarantee, together with the Accumulated Profits, making a substantial sum, and leave the $5,000 Policy fully paid for and continuing to earn Dividends as long as you live.

And in addition—

suppose some day before you reach age 60 you should become totally and permanently disabled through accident or illness. Immediately, all your future payments would cease and soon after you would receive a cheque for $50 each month as long as you lived and the $5,000 would be paid in full at your death without any deduction on account of the monthly income paid you. (This valuable feature is added for a small extra payment yearly, which is not returned along with the regular deposit).

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Dear Sirs—Without obligation on my part, you may send me particulars of your new Twenty-Year Capital Return Policy.
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STABILIZE BY CO-OPERATION, URGES SIR JOSEPH FLAVELLE

President of National Trust at Annual Meeting Traces Course of Economic Conditions Since the War—Messrs. Leighton McCarthy, K.C., of Toronto; Carl Riordon, of Montreal, and Edward Fitzgerald, of Winnipeg, Join Board—Members of Winnipeg Advisory Board Also Become Directors.

H. C. COX ELECTED A VICE-PRESIDENT

That co-operation, work and economy are the requisites of economic recovery the world over, was the message given to National Trust Shareholders by Sir Joseph Flavelle, at the Company's Annual Meeting held yesterday.

In moving the adoption of the Report, Sir Joseph said:—

If we have not already learned, we are in the process of learning, that the impairment of men and property occasioned by the war is to be restored through hard work and sound economy. There must be a creation of wealth to repair the distressing losses of the war. We will remember, however, that wealth is not created by printing currency notes, nor by making entries in ledgers or share registers. Real wealth is created and developed by human endeavour, and it is conserved through prudence which spends less than is earned, and through the wise investment of the surplus. The world wastage of men and property has been on so great a scale, that the process of recovery must be slow. Yet nothing has been more clearly demonstrated than the immense recuperative power of communities, in which the members co-operate to secure a determined end.

The war created a great demand, at extreme prices, for all commodities and, concurrently, established an urgent demand for labour at remunerative wages. Many are reluctant to believe that these advantages cannot be retained. Do they not forget that the war which occasioned these prices has left Europe almost bankrupt, while Canada and the United States have a new burden of heavy national indebtedness? These are conditions which develop prudence and good judgment in buying, and compel care in expenditures. Will not much be gained, therefore, if we early accept as inevitable sustained lower values of necessary commodities and plan accordingly? This does not mean a return to pre-war values or rates. That is neither possible nor desirable.

Commodity Prices Since the War

There is a general understanding that the inflation of currencies and credit has reduced the purchasing power of the dollar. I only mention it that you may know I have it in mind when I make reference to other influences affecting commodities which may, with profit, be better understood. The signing of the Armistice found the world short of commodities. The war had drawn from productive labour millions of men for the fighting forces. Millions of men and women who remained at home were mostly occupied in producing munitions and supplies for war purposes. Following the cessation of hostilities, a considerable period elapsed in adjusting these men and women from war to peace work, and there continued to be an insufficient supply of things needed. Competitive and speculative demand assumed immense proportions. Long established habits of prudence characteristic of sound buying were at a discount; markets became increasingly in the sellers' favour, and the price of materials and commodities continued to advance. Increased profits, increased wages, increased general charges followed in succession. Consumers accepted these penalties and called for increasing supplies. The available resources and capacities of industrial establishments were taxed to meet the demand.

Like all illogical movements, the passion to buy, no matter what the price, ran its course. Meantime, however, the constant effort to speed up production had been effective. It is now apparent that commodities had commenced to accumulate while they were yet thought to be in short supply. The weight of these accumulations in some lines began to be felt early in 1920. Later, the number of lines increased, buyers became fearful and hesitant to make commitments, and markets showed important declines. The community of buyers and sellers have since then been endeavoring to secure an understanding of the real position as a preliminary to future operations. In the interval, many factories have temporarily closed, or are operating upon a reduced scale. In consequence, there is the problem of unemployment.

Why Prices Have Declined

It had been forgotten, and perhaps is still not realized, that mechanical appliances and human energy, diligently employed, produce as many articles, or yards, or pounds whether the price is high or low. Many commodities thus produced have been, and some still are, from one-half more to three and four times more in price, than pre-war value; and, although Customs receipts, trade statistics, bankers' loans, manufacturers' shipments, merchants' turnover, have shown unparalleled volume in dollars, yet the quantity of commodities purchased by the ultimate consumer, representing this great volume in dollars, has been but moderate in compass. In consequence, the steadily increasing production of commodities at extreme prices, overtook sales to the consumer, and there was a gradual and general accumulation, not understood, however, until it had reached formidable proportions. When there came a partial realization of these conditions, wholesaler, jobber and retailer were possessed of the largest money value in stocks they had ever held. Similarly, the manufacturer had heavy holdings of raw and partly finished materials. Confronted with these conditions, speculation, which had been rampant, ceased. The retail merchant practically stopped purchasing and applied his energies to the liquidation of stocks on hand. He had, however, already made important commitments for later arrival. The wholesaler and jobber, whose business was reduced to small proportions, also ceased to purchase. They, too, had heavy commitments for later arrival. The manufacturer, with few buyers for his productions, refused to contract for raw materials at prevailing prices, and slowed down his operations. There followed a world-wide belief in a general lowering of values, and it became necessary to make price concessions to induce consumers to continue purchasing.

Adjustment Now Under Way

Under these conditions, holders of primary products pressing for sale had to accept receding values. Wheat, live stock, sugar, fruits and vegetables, all essential food products, broke sharply in value. Beef hides and calf skins, the basis of leather; corn, oats, barley, the basis of live stock; cotton, wool, silk, the basis of fabrics; similarly declined. Between these raw products, however, at new low values and the ultimate consumer, were the stocks on hand of raw materials, partly finished materials, finished merchandise and supplies. These reflected in their cost not only high raw materials, but equally high supplies, labour and general charges. The problem has been to dispose of these stocks without ruinous losses. Disastrous failures help no one.

The widely held view that the consumer has, in recent months, bought very sparingly is probably in error. There have been restrictions in purchases, but reports indicate that the volume of such buying has continued on a large scale, induced undoubtedly by heavy reductions in prices. The process of absorption, however, of excess commodities has been slower than may be desired, but the process is continuous. Meantime, merchants determined to exercise caution in placing orders, and manufacturers have been uncertain as to the future. During recent weeks there has been more activity in wholesale circles owing to necessary purchases by retailers for Spring requirements.

The foregoing conditions are not peculiar to Canada. The same factors have produced the same results in England and in the United States. They are accentuated in England through the inability of Europe to provide exchange which can be accepted for the merchandise and materials Europe urgently requires, and which England has in stock and desires to sell. In consequence, there are heavy accumulations of commodities. There has been a general slowing down or stoppage of manufacturing plants and unemployment has reached grave proportions.

Increased Production at Lower Costs the Need

Is there not urgent need that all concerned will recognize that the economic health of the world is concerned in the production of largely increased quantities of commodities at greatly reduced prices, with lessened charges for distribution? It should be understood that cheaper agricultural products, cheaper raw materials call for lower cost of production, including labour, lower cost for supplies, and lower profits to manufacturers and merchants. If two tons, or two pounds, or two yards, or two articles can be purchased by the consumer for the recent cost of one, there will be added comfort for the buyer, added orders from other nations, and added employment for the worker. Labour, when well employed, establishes liberal production. Liberal production to be absorbed calls for prices within the consumer's resources. There cannot be work for all unless the prices of commodities keep step with the available cash resources of consumers at home and abroad.

It is significant of immediate conditions that while steel mills are without sufficient orders to keep them occupied, lumber mills require buyers for their products, planing mills are working on short time, brick works are comparatively idle, cement mills are producing under capacity, foundries are eagerly soliciting business, thousands of men are out of work, yet the demand everywhere is for houses. These idle or partially operated plants producing building material, and these workmen seeking employment, will learn that co-operation is necessary if houses are to be built at a cost which will be within the resources of those who will occupy them. The General Manager intends, I believe, to tell you to-day where further co-operation is essential if the imperative need for money for mortgages upon these houses is to be met.

Canada's Position Relatively Favourable

Deflation in the price of commodities and materials, and in the actual or proposed lowering of rates paid for labour, and lower profits for the operator, is bringing disappointment and some bitterness to those adversely affected. It gives satisfaction, however, to others favourably affected. They have suffered almost beyond endurance through their income being inadequate to meet the increased cost of necessities required to maintain their homes. Those who find fault will perhaps come to realize the improvement in their own material position during this period of high prices, high profits and high wages. A competent authority estimates that Canadian farmers, artisans, manufacturers, merchants and investors have purchased during the period of the war, and now own one billion five hundred million dollars of Dominion Government bonds, and that they owe the Banks only some eighty million dollars upon these great purchases. During the same period, the savings bank deposits in the chartered Banks have increased six hundred and thirty-four million dollars. These increases are reflected in the deposits in every Province in the Dominion. It will be remembered that all this betterment has occurred since the outbreak of war. In contrast to these favourable conditions, Europe is distressed through terrible war waste in men and materials, and with demoralized exchanges and extreme prices for all necessary commodities. In our good fortune, should we not with thankfulness direct our energies in constructive plans for increased production of needed things at lower prices, and thus contribute to Europe's need and the comfort of our own people?

Adjustment to be Worked Out

In the process of restandardization of values, there will be many reactions. There will be irregularities difficult to understand, and some philosophy will be required during a considerable period of adjustment. Neither governments, nor super business men, nor bankers, nor economists can definitely determine or accurately measure the processes. They must be worked out. What we in Canada can be sure of is, that if we have courage, resource, willingness to work hard and to pull together, we will win through at an earlier period than the pessimist fears, but there must be co-operation in which all will share.

Turning to the Financial Statement just presented, I think you will agree that it is a gratifying one. As the General Manager will deal at length with it, I will not do more than call attention to the continued growth of the Company's business.

Additions to the Board

The Company's business in Western Canada has been growing so rapidly in recent years that it is felt the time has come when those who constitute the Winnipeg Advisory Board and who have acted in the past in an advisory capacity to the Company's Managers in the West, should become Directors of the Company. Accordingly a Resolution will be presented to you to-day discontinuing the Advisory Board, while the names of Sir Douglas Cameron, K. C. M. G., and Messrs. A. McT. Campbell, Kenneth Mackenzie, and George W. Allan, K.C., M.P., who now constitute the Board, will be submitted to you for election as Directors.

To enable the gentlemen mentioned to be elected to the Board of Directors, you will be asked to-day to confirm a By-Law increasing the number of Directors to 29, and, in addition to the names already mentioned, those of Mr. Leighton McCarthy, K.C., of Toronto; Mr. Carl Riordon, of Montreal, and Mr. Edward Fitzgerald, of Winnipeg, will be placed before you.

It is with deep regret that your Directors have to record the death during the year of Mr. Elias Rogers, Mr. Alexander Bruce, K.C., and the Honourable Mr. Justice Britton, all of whom had been Directors since the inception of the Company, and took a keen interest in its affairs.

AN OLD-TIME FUR TRADE WAR BEING WAGED IN NORTH

Hudson's Bay Company Out to Get Control of the Situation

BIG PRICES ARE PAID

Said to be Higher Than Now Prevailing in World Markets—Payments to Trappers Being Made in Goods

By Resident Representative.

REGINA.—An old-time fur trade war is once more being waged in the far north of Saskatchewan and Manitoba, according to word reaching Chief Game Warden Fred Bradshaw and the Provincial Police. The objective aimed at by the Hudson's Bay Company apparently is the utter abolishment from the northern wilds of all its competitors. The company is, say the reports from the north, trying to drive its competitors to the wall by paying prices for furs which cannot be approached by any other buyer with the possible exception of Revillon Freres.

As an instance: At Reindeer Lake a cross-fox skin was taken around to the various traders for a price. The Hudson's Bay Company put a price of $120 on it, the next highest bidder being $35. News of these prices spread rapidly in the north and there is small chance of traders getting many pelts without paying the high prices fixed by the company. The fight has only begun to warm up and higher prices are being paid in northern Manitoba, it is said, than can be secured in any market in the world.

That the catch in northern Saskatchewan has been poor and that the trappers are disappointed is the word brought here by provincial police reports. The average catch, it is estimated, was not worth more than $100 and many of the trappers had so few furs that they did not consider it worth while to bring them to the traders. In the Lac La Ronge district the following fur prices are prevailing: Rat skins, 75 cents; ermine, 75 cents; mink, $7; red fox, $15; cross-fox, $20 to $80; beaver, $15; otter, $20; wolves, plain, $10, black, $20; silver fox, $250 to $350. Owing to the comparatively mild winter the muskegs are nearly all open and consequently the trappers have brought in few beaver or lynx.

Payments are being made in merchandise, tobacco, cloth, etc., instead of cash this winter and to this the police attribute the absence of crime in the northern wilds. This mode of payment has resulted in little drinking and gambling.

C. M. A. EXPLAINS INCOME TAX LAW

Draws Attention of Its Members to Important Features

The Canadian Manufacturers' Association calls the attention of all its members in a circular sent out from the Toronto office this week to the latest changes and requirements of the new Federal Income Tax Law. Emphasis is given to the fact that the individual must not await the receipt of an income tax form, the law placing the responsibility of securing this copy upon himself. Forms may be secured from the local Inspector of Taxation, or from the postoffice. The form when filled up must be sent or handed to the local Inspector of Taxation by April 30 at the latest, along with at least one-quarter of the tax itself. Companies are also required to send to the district inspector before the end of March the names and addresses of their shareholders, with particulars of dividends, etc., paid to them. Employers must also send in returns of employees paid at the rate of $1,000 a year or more.

The association urges that the first remittance should be well over the one-fourth minimum. A good margin should be allowed so that in case of error the individual would obviate the risk of penalties. The balance is payable later in three two-monthly instalments with interest at 6 per cent.

It is pointed out that income for the calendar year 1920 comprises salary, bonus, business profits, rents, interest, dividends and other income, including that received from another country. The individual shareholder may be taxed on his portion of a company' undivided profits, if the Finance Minister considers that their accumulation is intended to evade the law and exceeds the reasonable requirements of the business. It is further pointed out that company profits paid to shareholders in the form of stock dividends are expressly mentioned as liable to income tax, but the tax will not be levied on such profits if they had accumulated before 1917, and if the distribution to shareholders has been voted and paid before the end of 1920.

Designed in Collaboration with the owners by The Trained Engineers of
LOCKWOOD GREENE CANADA
Plant of THE GILLETTE SAFETY RAZOR CO. OF CANADA LIMITED, MONTREAL
LOCKWOOD, GREENE & CO. OF CANADA LIMITED
285 Beaver Hall Hill, Montreal.
ENGINEERING SERVICE FOR INDUSTRY

1870 1921

THE MUTUAL LIFE
Assurance Company of Canada
WATERLOO, ONTARIO
FINANCIAL STATEMENT
FOR YEAR ENDED DECEMBER 31st, 1920

CASH ACCOUNT

INCOME.	
Income Net Ledger Assets: 31st December, 1919	$36,152,382.03
Premiums (Net)	7,685,792.13
Interest, Rents, Etc.	2,243,186.64
Amounts left on deposit with Company	133,214.58
Miscellaneous Income	61,978.10
	$46,276,553.48

DISBURSEMENTS.	
Death and Disability Claims	$ 1,215,136.89
Matured Endowments	748,844.17
Surrendered Policies	456,744.12
Surplus	1,062,558.00
Annuities	9,547.04
Supplies	26,889.50
Amounts on Deposits Withdrawn	54,723.24
Premium Reductions, Quinquennial	93,078.98
	$ 3,667,521.94
Expenses, Taxes, Etc.	2,070,738.43
Balance Net Ledger Assets: 31st December, 1920	$40,538,293.11
	$46,276,553.48

BALANCE SHEET

ASSETS.	
Mortgages	$14,934,368.52
Debentures and Bonds	19,394,571.03
Loans on Policies	5,335,268.01
Real Estate	1,059,987.73
Premium Obligations	25,713.27
Cash in Banks	44,792.51
Cash at Head Office	3,839.78
Due and Deferred Premiums	931,003.08
Accrued Interest, Etc.	1,117,733.32
	$42,847,277.25

LIABILITIES.	
Reserve, 3½% and 3% basis	$35,160,546.00
Special Investment Reserve	346,254.29
Reserve for Unreported Death Claims	60,000.00
Surrender Values claimable on lapsed Policies	2,141.95
Death Claims unadjusted	211,028.00
Matured Endowments, unadjusted	13,024.00
Dividends due Policyholders	91,222.72
Reductions on Outstanding Premiums	13,021.01
Dividends allotted to Deferred Dividend Policies issued since January 1, 1911	475,484.32
Dividends allotted to Accumulative Dividend Policies other than Deferred Dividend Policies	982,380.68
Due on account of Office Expenses and Medical Fees	37,832.72
Taxes and Rents accrued	92,751.31
Premiums and Interest paid in advance	82,662.01
Credit Ledger Balances	260,247.74
Surplus, 31st December, 1920	5,018,680.50
	$42,847,277.25

Audited and found correct,
J. M. SCULLY, F.C.A., Auditor.
Waterloo, January 21st, 1921.

CHAS. RUBY,
General Manager.

COMPARATIVE STATEMENT

	1919.	1920.	Increase.
Income	$ 8,583,404	$ 10,124,171	$ 1,540,767
Assets	38,020,949	42,847,277	4,826,328
New Assurances	40,625,656	47,008,024	6,382,368
Surplus Earned	1,302,801	1,657,104	354,303
Total Surplus Fund	4,540,536	5,018,680	478,144
Assurances in Force	170,706,305	206,627,728	35,921,423

OUR FINANCIAL RELATIONS WITH UNITED STATES

Immense Sums of Capital Have Come Here in Recent Years

BALANCE OF TRADE

However, There Is Little Indication That Closer Financial Relations Will Mean Closer Political Relations

By J. COURTLAND ELLIOTT,
Department of Economy, University of Saskatchewan.

Apart altogether from the desirability of developing Canadian resources by the cultivation of new markets or of stimulating exports to stabilize prices in the face of acute deflation or the purely sentimental reason of aiding Europe in rehabilitation, the trade relations and investment operations between United States and Canada are an index of our dependency to-day and of the possibility of opening new channels of international commerce.

According to figures compiled by the Federal Reserve Board of the United States the total flotations of Canadian securities subscribed by Americans amounted to $524,248,313 on July 1, 1920, comprised of $152,500,000 in Dominion Government bonds, $130,425,313 in provincial and municipal loans, $121,328,500 in railroad securities, $80,095,000 in public utilities and $39,899,500 in industrial issues.

Since that time the records demonstrate that an additional investment of $111,274,000 has been made, the total now reaching $635,522,313. Astounding as it may seem, during during the last six months of 1920 Americans increased their known capital investments in Canada by nearly 20 per cent.

As an indication of the alacrity with which Canadian securities are taken in the United States figures of investment for the past decade will prove illuminating, especially the increases in recent years when the influx of money from the United Kingdom has been dwindling as American capital increased.

Year	Sold in Canada	Sold in United States	Sold in United Kingdom	Total
1910	$ 39,296,462	$ 3,634,000	$188,070,128	$231,000,590
1911	44,989,878	17,553,967	204,269,143	266,812,988
1912	37,735,182	30,966,406	204,236,994	272,937,982
1913	45,603,753	50,720,762	277,470,780	373,795,295
1914	32,999,860	53,944,548	185,990,659	272,935,067
1915	114,275,214	178,606,114	41,175,000	335,106,328
1916	102,933,778	206,943,764	5,000,000	314,882,542
1917	546,330,714	174,708,365	5,000,000	726,039,079
1918	727,446,361	33,310,000	14,600,000	775,356,361
1919	705,385,419	199,446,670	5,105,133	909,937,222
1920	101,830,667	223,084,000	Nil	324,914,667

Even in 1920, which until the last few months was a comparatively prosperous year, the American investments in Canada amounted to over twice the subscriptions of Canadians in their own country, a rather surprising fact in view of our accomplishments in former years but partly due to the restricted offerings on account of high interest rates.

An Immense Total

Indeed it is estimated by some American statisticians that the total property held in Canada by residents of the United States, including the loans directly floated there, amount to $1,250,000,000, calculated at five times as great an amount as was held in 1914, and the sums annually paid to the United States as interest, profits, insurance, freights and so forth exceed $75,000,000, excluding the premium that must be paid for American funds. Moreover, there are to-day over 600 American firms carrying on business in Canada, an economic fact of the utmost importance.

Several significant facts present themselves for consideration from these figures. The first is that only the most cordial relations can be entertained by Canada with the United States. The importance of American interests in Canada has been tremendously increased during the period of the war and afterwards. Our economic relations, therefore, should be of the most intimate nature because of these common interests. Today the United States is the foremost investment market in the world and capital is the great essential for the development of the Dominion. Peculiarly attractive are the possibilities of Canada to the United States because of the premium which has arisen on United States funds, and it may be expected that the progressive advance in investment will be continued in the future.

Canada and the Empire

However close our relations may be with the United States, the fact still remains that Canada is an integral dominion in the British Empire and it might occur to some persons that the financial incursions of Americans with resulting influence on the destinies of our country will eventually terminate in closer political relations. Improbable as this contingency might at present appear the projected departure of a Canadian ambassador to Washington is a tacit realization that the closer economic relations of Canada and the United States demand more intimate understanding, and it is hardly conceivable that the new national status of Canada is more than the ostensible reason for the departure.

Whatever force of reason that proposal may have the fact remains that since the period of the war our economic relations have been closer with the United States than with the mother country. Not only have the capital investments of Americans increased but the foreign trade figures of the Dominion emphasize the new relations.

From March 31, 1914, to the same date in 1920 the exports from Canada to the United Kingdom, while increasing absolutely from around $222,000,000 to $496,000,000, had actually declined in relation to our total export trade from 48.8 per cent. to 38.57 per cent., and the imports, amounting to $132,000,000 in 1914 and $126,000,000 in 1920, had fallen from 21.4 per cent. to 11.84 per cent. of our total imports.

Effect of Trade Relations

During the war period our exports to the United States increased from $177,000,000 in 1914 to $501,000,000 in 1920, the percentage relation remaining constant at around 39 per cent. with respect to our total export trade. However, the salient fact that 55.4 per cent. of our total trade is now effected with the United States compared with 26.47 per cent. with the United Kingdom and 18.13 per cent. with all other countries.

Canada, therefore, has closer trade relations with the United States than with any other country in the world, although our imports from that country far exceed our exports. For instance, during the year ending November 30, 1920, Canada exported goods to the value of $352,000,000 to the United Kingdom, a decrease of $162,000,000, and during the same period exports to the United States amounted to $544,000,000, an increase of $102,000,000. Imports from the United Kingdom amounted to $229,000,000 and from the United States $927,000,000, an increase of $135,000,000 and $202,000,000 respectively.

The adverse exchange rate between Canada and the United States is, it would seem, having an important infience in our economic and political relations. It has induced a large influx of American capital, which has been exceedingly welcome, has increased the absolute amount of exports to the United States, and apparently has had a detrimental influence in our trade and financial relations with the United Kingdom. It is constantly drawing the United States and Canada closer together, and the appointment of a Canadian advisory board to the National City Company of New York recently is an indication that Canadian financiers will continue to look to the United States for capital rather than to the United Kingdom, which was our principal source before the war.

REGARDING OIL PRICES

Reduction in Production is Stiffening the Markets

NEW YORK.—With a reduction of nearly 60,000 barrels in the daily output of the mid-continent field in the past month the curtailment in crude oil runs and lower prices are having their effect. The continuance of smaller production will lessen the necessity for further sharp price cuts. Leaders of the industry are of the opinion that the current lowering of oil prices is temporary and that any appreciable improvement in trade conditions will result in the usual big summer demand.

An oil man says: "The future trend of crude oil prices will depend largely on the outcome of field operations in the next few months. A steady increase in stocks of domestic crude may bring lower prices for crude. If the reductions in prices so far made succeed in curtailing production so that stocks do not increase, the probability of a further cut in prices is lessened.

'PHONE CO. ARGUES RATE INCREASE IN PUBLIC INTEREST

Financing For Future Expansion Must be Done In Present

ATTRACT NEW CAPITAL

Opposition Argues Temporary Expediency—Points Out Opating Costs on Decline Cosidering Evidence

No intimation has as yet been received from Ottawa as to the date on which announcement respecting the discussion of the Dominion Board of Railway Commissioners in the Bell Telephone rate investigation recently closed may be expected. As a ponderous mass of evidence was submitted to the board it may be a matter of some weeks before that body has completed its survey of the data on hand, and is in a position to frame a judgment upon the much debated question.

The investigation, it will be readily recalled, arose out of the application of the Bell Telephone Co. for certain increases in rates in order to provide adequate capital to maintain the company's reserve fund, and so leave the company's finances in such an attractive position that new capital could be readily attracted when necessary. At the hearing representatives of various municipal and governmental bodies in this country presented opposition to the proposed increases. The opposition submitted a plea for delay in the matter of alteration of rates, maintaining that as conditions were returning to normal, and operating costs were being adjusted on a lower basis, the company would in a comparatively short time be able to operate on a comparatively normal cost basis. Any advance in rates allowed by the Railway Board should be of a temporary nature only, to be readjusted when times were normal again.

The telephone company contended that as the financing had to be done in the present and it could not attract new capital for new works on a basis of possibilities and predictions which might not be fulfilled, it should be placed in a position to carry on necessary undertakings now, and when conditions in the future warranted a change the Railway Board could be relied upon to take the necessary action.

Arguments of Opposition

W. J. Hagenah appeared for the city of Montreal and in his evidence was embodied the sentiments of perhaps the majority of the opposition.

He claimed that the company had built a depreciation reserve that was further contended that as material further contended that as natural costs had fallen the company's expenses would be accordingly reduced. It was pointed out by the telephone company that as materials only constitute 13 per cent. of maintenance costs, the effects upon the company's operating costs was almost negligible. He urged that labor costs were tending downward, but admitted that as public utility wages had gone up less than wages in industry generally they would therefore be the last to fall. To what extent and when the fall would materialize he could not say, but the increased efficiency which would be reflected largely in greater efficiency of service and the possible lowering of wages might and probably would help the company.

Discussing measured service, he pointed out that this was the only fair method of computing charges in large cities, and must ultimately be adopted in Montreal and Toronto, but because no appraisal has been made, he thought no definite action in this matter should be taken at the present time. He conceded the fairness of the long distance schedule, as suggested by the company, because the new schedules were in harmony with those in force in the United States. He favored the service connection charge, and argued that with the added revenue from this source and by removing the discrepancy between Toronto and Montreal to perhaps 5 per cent. on business telephones the company could finance itself for a numbered period.

Mass of Evidence

The telephone company submitted a mass of evidence in support of its application, showing its financial position, its actual need and offered the testimony of financiers as to what increase in revenue would be required to enable the company to market its securities. It was contended that a rate which would afford a reasonable return to existing stockholders should attract new stockholders. It was essential in the public interest that such a company should be able to market its securities in order to meet the demands of the public for service. It was pointed out in the evidence that a private concern could restrict its business but with a public utility the public sets the pace. The company must find the money to meet whatever nature of business is demanded by the public, which the company was incorporated to serve. Any failure to obtain money reacts disastrously upon the public.

Against the plea of the temporary expediency offered by the opposition the company urged that it had to live in the present, to finance and to make provision for the future now. It could not lay its plans upon predictions of developments of the future. So long as the existing board kept control and was prepared to act when conditions had changed, there was no need to consider other than the needs of today.

The Measured Rate

Referring again to the question of the measured rate the company contended in support of the plan that it was admitted by every rate making concern to be the only fair and equitable method of computing charges for the larger cities. It was in use in all the important cities of the United States, and in fact of the world. In no single case had a city resorted to the flat rate system that had once adopted the measured rate. For every other commodity charges varied according to the amount used or consumed. There was no valid reason, the company urged, for making an exception of a telephone. The flat rate is an average rate based upon average use. The flat rate system was a menace and a detriment to business, as a consequence the wires were burdened with unnecessary and frivolous messages. The flat rate checked developments, placed an unfair burden upon the small user, making telephone service too expensive. Experience proved, according to the company's evidence, that the service was stimulated by a system which required the subscriber to pay as he made use of the company's services.

Some discussion was created when counsel for the opposition attempted to determine whether there was some attempt at covering up of profits of the Bell Company in paying higher

Continued on page 19.

The Great-West Life Assurance Company.

Condensed statements for 1920 as announced at the Annual Meeting, held February 1st, 1921.

New Business Issued	**$ 60,703,525**
Exceeding 1919 by	9,125,626
Business in force	**256,850,251**
Increase in business in force	44,289,975
Income (Premiums and Interest)	**9,967,436**
Increase for the year	1,369,042
Assets	**37,382,647**
Net increase for the year	5,169,532
Surplus earned in 1920 (the largest in the Company's history)	**1,388,897**

The interest rate earned was 7.20 per cent., excluding profits from securities sold. Including this item, the gross interest yield was 7.43 per cent. The rate of mortality has fallen to 49 per cent. of the expected—practically the pre-war basis.

These splendid results have enabled the Company to make its yearly apportionments to policyholders on the usual generous scale.

A 1921 RESULT

20-year Endowment. Age 21. $1,000.
Premium $46.75
Policy issued in 1901, maturing in 1921.
Total Cash Value available in 1921 .... $1,439

HEAD OFFICE - WINNIPEG.
ESTABLISHED 1892

Ford
Kakabeka Falls Kaministikwia River, Ontario.

Power

OVER 200,000 Ford Cars in Canada represent energy equal to more than four million horsepower—greater than the combined energy of all Canada's water power so far developed.

The simplicity, sturdiness and power of the Ford engine, which is characteristic of the entire Ford Car, assure to you economy and constant satisfactory performance.

Ford Motor Company of Canada, Limited
Ford, Ontario
44

FORD PRICES

*Touring Car	$675
*Runabout	$610
Coupe	$1,100
Sedan	$1,200
*Chassis	$550
*Truck Chassis	$750

*Starter and Electric Lighting $100 extra

Prices are f. o. b. Ford, Ontario

C. P. R. EARNED 7.4 PER CENT. ON RAILWAY ACCOUNT

Balance of $1,640,000 Over Amount Allotted for Dividend Share

GROSS OF $216,000,000

New High Record and $33,000,000 Ahead of 1919—Higher Rates Saved Situation Last Three Months

By Resident Representative.

MONTREAL.—It was a close race for the Canadian Pacific Railway Company earning sufficient in 1920 on its railway operations proper to meet the seven per cent. out of the ten per cent. of dividend on the common stock that it is accustomed to allot to the railway end of its activities. But, thanks to the increase in rates in September, it did it, with a fraction of a percentage to the good, four-tenths of one per cent. In other words, allowing the same fixed charges as deductions as in the report of one year ago, the net earnings amounted to $33,153,044 for the year 1920, as compared with $32,933,036 for the previous year. After deducting charges and preferred dividends there remained available for common dividends on the $260,000,000 of common stock the sum of $19,264,258, as compared with $18,200,000 required for the seven per cent. payment, leaving a balance of $1,054,258, or .4 per cent., and making total earnings of 7.4 per cent., as compared with a balance one year ago of $19,044,250, or a net surplus for that year of $844,250, or .3 per cent., the total available being 7.3 per cent. on the common. Thus the net earnings were able the last three months to wipe out a heavy deficit created in the first nine months of the year over that of the year 1919. The remaining three per cent. required for the ten per cent. dividend may be looked for from those sources of net revenue designated as "Other Income."

A comparison of the last two years in so far as the net earnings relate to dividends on the common stock, allowing, in the absence of the real figures not yet available, the same deductions as one year ago, is as follows:

	Dec., 1920	Dec., 1919	Increase
Gross	$ 20,604,167	$ 17,025,583	$ 3,578,584
Expen.	18,382,095	15,343,407	3,038,687
Net	$ 2,222,072	$ 1,682,176	$ 539,896
	12 mos., 1920	12 mos., 1919	Increase
Gross	$216,641,349	$176,929,060	$39,712,289
Expenses	183,488,304	143,996,023	39,492,281
Net	$33,153,044	$ 32,933,036	$ 220,008

Taking the year as a whole, it is seen that the gross earnings of the company constitute a record in its history amounting to $216,641,349, an increase of $33,153,044 over the year 1919, and over double the $100,000,000 of ten years ago. As compared with the pre-war year of 1913 C.P.R. gross for 1920 was over $82,000,000 ahead, the advances over the years 1919 and 1913 being 22 and 62 per cent. respectively.

The records of gross earnings since the year 1920 compare as follows:

The Months of 1920 vs. 1919

1920 Month	Gross	Net		Net change
Jan.	13,914,569	585,941	—	967,571
Feb.	13,557,103	713,873	—	267,242
Mar.	15,715,936	1,957,764	+	418,720
April	15,929,416	2,341,846	+	258,222
May	16,459,986	3,197,942	+	164,181
June	16,480,574	2,630,817	—	359,603
July	17,375,760	1,619,485	—	1,377,217
Aug.	17,994,768	2,200,812	—	1,577,354
Sept.	20,009,287	3,908,654	—	183,264
Oct.	24,800,632	7,700,822	+	2,353,040
Nov.	23,799,146	4,073,010	+	1,223,201
Dec.	20,604,167	2,222,072	+	539,896

Operating Costs 85 Per Cent.

One of the most significant points about the 1920 figures is the high cost of operation. For 1920 this ran upwards of 85 per cent. of the gross receipts. For the year 1919 the percentage was 81.3, while for the year 1910 the percentage was only barely 74. Thus for the year 1920 the balance of net earnings was only $15 out of $100 of gross where the year before the balance was $28.6 and for 1910 some $36.

Taking the monthly returns for the year 1920 it is seen that in exactly six of these, one-half, the net revenue ran ahead of 1919. This was in March, April and May and the last three months; while for six months in succession, preceding the rate increases, the road was running far behind, the highest being in August with $1,577,000. At this point it seemed quite likely, indeed inevitable, that unless higher rates were secured the road would end the year with far less than seven per cent. earned on the common. The following table shows the monthly record as compared with the year 1919:

	Gross	Net
1920	$216,641,349	$33,153,044
1919	176,929,060	32,933,036
1918	157,537,698	34,502,387
1917	152,389,334	46,546,018
1916	139,729,687	50,476,499
1915	109,397,246	43,525,235
1914	110,466,785	34,788,067
1913	141,155,657	46,326,160
1912	134,279,363	45,959,144
1911	110,946,516	38,553,520
1910	100,851,629	36,386,789

The detailed figures for the month of December alone show a gain of $539,896 over the same month in 1919. This amount is significant in this, that for the first eleven months of 1920 the net earnings actually had fallen behind those of 1919 by $319,888, and it required the month of December with a fairly substantial gain to drive the year's net record ahead. The details for the month of December of the last two years, and also the comparison of gross earnings and expenses for the two years as a whole compare as follows:

	1920	1919
Net Earnings	$33,153,044	$32,933,036
Deduct—		
Fixed charges	10,161,510	10,161,510
Pension fund	500,000	500,000
Pref. divid.	3,227,276	3,227,276
Bal. avail. for com. div.	$19,264,258	$19,044,250
Common divid.	18,200,000	18,200,000
Surplus for year on railway acct.	$ 1,064,258	$ 844,250

PREMIER AND THE BLUNDER-PROOF COMMISSION

Continued from page 10.

lievin' she's sellin' the road while she really puts up the cash for the other feller to buy it with, and throws in another hundred and fifty thousand dollars for the purchaser to fix it up in runnin' shape, and for all this she don't get one single brass tack. She has thousands on thousands to lose and not one of the new coppers to gain. Guelph agrees to lose everything and the Hydro agrees to do nothing, or if it does agree to do something in one clause, Guelph agrees to nullify in another. The Hydro don't even give her a limited service though something is said about ten minutes, but the words that follow are put in such a way that a half day service could be given at any time without redress for Guelph. There is also something said about payin' over the profits yearly, but this is only 'if deemed advisable by the Commission,' and they may not deem it advisable for fifty years. The Commission also agrees with the Corporation not to take any of the streets or other property as granted under the original franchise without consent of the Corporation, which seems on its face to leave the streets in the hands of the city, but away down in the document, almost lost in a lot of legal verbiosity the Corporation kindly agrees with the Commission 'to furnish a free right of way for the railway and for the power lines over any property of the Corporation upon being so requested by the Commission and to execute such conveyance thereof or agreement with regard thereto as may be desired by the Commission,' which sounds very much like comedy to me. The one agrees not to take what it wants and the other agrees to give it for a polite request, which goes to show that the Hydro is improvin' in shrewdness if not in honest business methods over their first agreement with Guelph. This leaves matters in a way that the Commission can 'request' the Corporation to furnish 'free rights' for switches into all the factories in town, the Commission will lay the rails and put up the poles and trolley wires, and Guelph obligingly pays for them and for anything else the Commission may desire. Then they would start to haul freight from car load lots to express parcels to Hamilton, Toronto, and other points and the Commission will be generous enough to credit them with the freight charges as far as the city boundary line, not more than a couple of miles in any event, then, let's see, that freight would pass into the rural municipalities, and each of the townships through which it travelled would be credited with its proportion of the freight charges; which, it strikes me, is a mighty good thing for the rurals, and I don't see as there's anything for me to do but sanction the proposition—the Commission can't lose, the Government can't lose, the rural municipalities can't lose, nobody can lose but Guelph, and she pays for it all, and the rural municipalities stand to make considerable—yes, I'll sanction it all right if Guelph wants to vote for it, and write to that effect tomorrow. But I can't nohow understand why Guelph is so mighty impatient, why she can't wait till the Royal Investigatin' Commission finds out where it's at, and the Hydro learns where it's at, and I find out where I'm at, and the Government finds out where it's at, and if there's goin' to be any railway system and net works of trolley lines through Ontario at all or not, or if there's goin' to be anybody left for Guelph to sign up with, or if the Government intends to allow the Hydro to run, manage or operate electric railways at all or not. And it would be a mighty good thing for Guelph to pause in its mad anxiety to throw her railway away and carefully study out where she is at. The Royal Commission might think as I think and a vast number of strong Hydro supporters are beginning to think that building electric railways all over the Province to use up electric energy in runnin' empty cars that only get in the way of automobile and motor truck traffic and spoil good roads by runnin' a pair o' raised rails along the middle of them, is not the best way, or the most profitable or scientific way of using a precious gift that a kind Providence saw fit to bestow upon us, and that Ontario can be more charitable than hoggish, and find some way of using it to the profit of this province, and to the benefit and advantage of all mankind." Then, stretching his arms over his head with a sleepy yawn, he tossed the document on the table, arose, wound up an old fashioned, gabled-top clock, blew out the lamp, and by the flickering glow of the yule log that had fallen into livid coals, he found his way to the stairs, and an expression of humor flitted over his thoughtful face, as he turned to take a farewell look at the document on the table.

DEBTS OF WORLD ARE ON INCREASE

Greater in November, 1920, Than at the Armistice Two Years Before

From a detailed discussion of world national debts and paper currency, appearing in the November issue of "The Americas," issued by the National City Bank of New York, prepared by the bank's statistician, O. P. Austin, it appears that world national debts which increased from $43,000,000,000 in 1913 to $212,000,000,000 at the date of the Armistice were $256,000,000,000 one year later and $300,000,000,000 in November, 1920, two years after the Armistice. World paper currency which increased from $7,500,000,000 in 1913 to $43,000,000,000 at the date of the Armistice was $55,000,000,000 one year later and $82,000,000,000 in November, 1920, the end of the second peace year. The ratio of gold to world paper currency, which averaged 66.3 per cent. in 1913 and 17.6 per cent. at the close of the war, was 13.5 per cent. at the end of the first peace year and 9.2 per cent. on the second anniversary of the Armistice. Annual interest charges on world national debts, which were about $1,750,000,000 per annum prior to the war, were approximately $9,000,000,000 per annum at its close, and now more than $12,000,000,000 per annum. These figures are in all cases based upon the pre-war par value of the currencies of the respective countries, but are in all cases exclusive of currency or other obligations of the Soviet Government of Russia.

Most of the after-the-war increase in national debts and paper currency occurs in Europe. National debts in North and South America show an actual decline in the second peace year and but a trifling increase in Asia, Africa and Oceania, while national debts in Europe increased $30,000,000,000 in the first year following the Armistice, and $45,000,000,000 in the second year, just ended. Paper currency, which increased about $2,000,000,000 in North and South America in the second peace year and showed a slight reduction in Asia, Africa and Oceania, increased $11,000,000,000 in Europe in the first year following the Armistice, and $26,000,000,000 in the year just ended. Europe's share of the world national debt is 86 per cent., and of world paper currency 88 per cent.

ESTABLISHED 1872

TORONTO OFFICE

THE immense resources of Canada must be developed to increase production of wealth sufficiently to take care of the country's indebtedness and to stimulate a continuous healthy growth. The Bank of Hamilton stands behind increased production and legitimate business enterprise.

BANK OF HAMILTON

BRANCHES THROUGHOUT CANADA

Changing Conditions

IN these times of changing conditions, prudent people naturally prepare for what the future may hold for them by conserving their resources, saving every dollar possible, reducing expenses, cultivating a growing Savings Account.

Opportunities are always offering to those who have saved the small Capital necessary to take advantage of them.

We Give Service

Thos. F. How, General Manager

The Manager at any of our Branches will be pleased to receive your account. A small sum and a few minutes will secure you a Savings Pass Book.

THE BANK OF TORONTO

Capital $5,000,000. Reserves $6,986,354.

Return of the Chartered Banks of the Dominion of Canada, December 31, 1920.

Made to the Minister of Finance in conformity with Section 112 of the Bank Act, Chapter 9, of the Statutes of 1913.

LIABILITIES

NAME OF BANK	Capital authorized	CAPITAL STOCK		Amount of Reserve Fund	Last Dividend declared	Notes in Circulation	Due to Dominion Government	Due to Provincial Govts	Demand Deposits In Canada	Notice Deposits in Canada	Deposits Elsewhere	Loans from banks in Canada	Balances due to Banks in Canada	Due to Banks in the U. K.	Due to Banks Elsewhere	Bills Payable	Acceptance under letters of Credit	Other Liabilities.	Total Liabilities	Loans to Directors	Average Gold and Coin Held	Average Dominion Notes Held	[illegible]
		Capital Subscribed	Capital Paid up																				
						1	2	3	4	5	6	7	8	9	10	11	12	13					
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	
Montreal	28,075,000	22,000,000	22,000,000	22,000,000	12	39,839,768	17,975,131	571,522	125,899,896	208,183,547	97,780,993		2,070,868	43,894	1,485,486	2,354,209	6,455,117	1,539,926	504,200,363	904,474	25,475,318	30,985,613	[illegible]
Nova Scotia	15,000,000	9,700,000	9,700,000	18,000,000	16	21,004,637	1,915,640	435,688	37,644,213	112,210,500	32,539,801		1,317,462	141,631	1,606,231	409,728	1,405,415	390,834	211,021,787	1,186,620	11,692,491	17,557,253	[illegible]
Toronto	10,000,000	5,000,000	5,000,000	6,000,000	12	7,884,328	161,146	111,043	28,816,369	47,639,455			311,982	69,320	1,446,833		203,978	4,793	86,649,251	376,719	999,736	9,832,405	[illegible]
Molsons	5,000,000	4,000,000	4,000000	5,000,000	12	6,131,293	4,297,279	161,433	18,932,595	48,196,612			476,263	19,363	376,775		353,122	459,881	79,359,620	270,587	589,013	3,890,986	[illegible]
Nationale	5,000,000	2,000,000	2,000,000	2,300,000	12	6,397,280	8,051,393	344,059	6,995,784	37,167,074	6,686,016				19,763	500,000	3,680		66,165,052	335,620	377,910	2,265,950	[illegible]
Merchants	15,000,000	10,169,100	10,029,622	8,400,000	12	15,733,252	1,547,492	2,577,325	52,651,525	89,638,095	3,520 379		3,973,146	71,283	549,419	212,163	1,560,642	2,988	172,037,715	934,485	3,962,347	6,049,871	[illegible]
Provinciale du Canada	5,000,000	3,000,000	2,936,869	1,300,000	9	3,133,268	2,321,765	244,724	5 606,043	25,577,320			1,779		7,615			137,250	37,029,767		123,879	227,469	[illegible]
Union	15,000,000	8,000,000	8,000,000	6,000,000	10	11,366,194	1,444,620	2,589,473	39,158,978	69,933,480	10,203,800		535,013	1,101,598	2,544,087		3,423,147	53,416	142,353,811	1,743,728	1,009,523	10,811,921	[illegible]
Commerce	25,000,000	15,000,000	15,000,000	15,000,000	12	29,766,859	31,975,004	4,407,484	18,730,960	177,709,155	51,198,884		202,914	430,481	6,162,884	1,208,080	10,606,841	22,529	432,422,080	1,113,859	21,139,000	36,235,000	[illegible]
Royal	25,000,000	20,400,000	20,163,960	20,148,985	12	40,596,168	19,794,225	2,221,181	96,365,360	185,874,448	151,818,591		24,843	1,483,003	11,561,302	5,270,168	16,379,627	136,855	531,525,777	741,186	14,025,080	23,214,463	[illegible]
Dominion	10,000,000	6,000,000	6,000,000	7,000,000	12	9,159,886	7,916,872	1,233,273	31,414,089	68,354,474	3,022,545		806,717	37,613	876,503	67,104	1,823,472	640,401	125,352,953	358,035	2,075,000	11,902,000	[illegible]
Hamilton	5,000,000	4,998,200	4,970,300	4,685,150	12	6,183,431	7,066,876	768,059	19,090,420	43,202,047			200,799	46,065	393,238		588,785		77,539,723	728,797	886,484	3,089,169	[illegible]
Standard	5,000,000	3,552,493	3,552,493	4,539,370	14	6,763,493	5,425,275	374,909	19,361,221	47,271,314			1,273,828	396,293	847,328	393,326	631,018		82,738,010	449,365	1,735,370	5,045,249	[illegible]
d'Hochelaga	10,000,000	4,000,000	4,000,000	4,000,000	10	7,645,604	1,526,154	63,496	12,339,975	42,925,579			1,142	53,779	507,852		101,491		65,165,075	320,700	466,424	3,439,156	[illegible]
Imperial	10,000,000	7,000,000	7,000,000	7,500,000	12	13,382,988	913,776	1,128,662	32,380,727	63,495,996			1,984,653	6,301	341,653		199,639		113,834,398	110,732	1,696,355	9,117,894	[illegible]
Home	5,000,000	2,000,000	1,959,391	500,000	7	2,131,375	2,799,649	1,555,025	6,245,403	12,373,294			25,984		462,125			1	25,592,849	453,076	180,050	1,569,708	[illegible]
Sterling	3,000,000	1,266,600	1,229,574	450,000	8	1,208,273	3,490,436	250,939	4,692,082	12,037,176			362,689				15,320	3,796	22,060,713	319,385	134,973	779,008	[illegible]
Weyburn Security	1,000,000	655,700	524,560	225,000	7	430,490	361,841	10,991	1,171,102	1,217,932					29,245			37,998	3,259,603	12,060	16,976	165,445	[illegible]
Total	197,075,000	128,742,093	128,066,769	133,048,505	......	228,758,587	118,984,574	19,004,286	657,496,742	1 293,007,488	356,771,009		13,570,082	3,900,624	29,218,339	10,414,778	43,751,294	3,430,668	2,778,308,547	10,359,428	86,585,929	176,178,560	[illegible]

ASSETS

NAME OF BANK	Gold and Subsidiary coin	Dominion Notes	Deposit for note circulation	In Central Gold Reserves	Notes of other banks	Cheques on other banks	Balance due from banks in Canada	Due from banks in United Kingdom	Due from Banks elsewhere	Government securities	Canadian municipal, British and foreign securities	Railway and other bonds and stocks	Call loans in Canada	Call loans elsewhere	Other current loans in Canada	Other current Loans elsewhere	Loans to Provinces	Loans to municipalities	Overdue debts	Real Estate other than premises	Mortgages on real estate sold	Bank premises Less written off	Letters of credit	Other Assets	Total Assets
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal	25,534,971	34,332,327	1,038,166	20,200,000	2,941,154	27,732,262		5,639,470	14,496,395	14,782,930	34,727,155	4,657,503	1,824,445	104,977,703	212,981,483	18,050,231	4,232,450	12,167,895	583,434	27,400	44,507	5,500,000	6,455,117	206,205	[illegible]
Nova Scotia	13,002,785	21,126,075	492,822	12,750,000	3,469,230	10,190,089	350,000	3,873,992	2,998,271	13,343,226	20,232,222	3,419,407	6,012,415	16,528,512	88,287,487	13,942,283		2,445,219	107,295	133,908	169,758	5,202,069	1,405,415	221,894	[illegible]
Toronto	1,010,516	10,594,132	254,834	4,000,000	789,560	5,402,176			836,314	5,463,101	7,267,465	711,058	3,757,085	1,000,000	51,703,287			1,953,668	489,923			3,566,371	203,978		[illegible]
Molsons	573,946	3,305,288	235,000	2,500,000	598,443	5,635,474	19,171	710,692	1,515,413	5,258,904	6,587,715	699,715	7,953,697		47,846,109			4,777,790	322,449	98,469	32,738	2,976,421	353,122	360,230	[illegible]
Nationale	374,122	2,460,666	100 000	4 500,000	733,965	2,852,870	29,567	2,336	1,064,616	5,325,724	6,962,515	899,118	4,705,178		37,421,120			1,155,509	27,710	357,304	346,584	1,718,153	3,680	60,174	[illegible]
Merchants	4,078,276	5,129,538	450,000	7,000,000	1,320,401	9,959,681	10,677	498,135	1,937,663	8,290,023	13,383,273	3,765,099	9,090,846	4,641,503	108,932,006	1,628,265		2,292,416	1,371,652	617,482	692,339	3,742,369	1,560 642	335,814	[illegible]
Provinciale	139,646	262,807	114,315		542,343	2,563,411	4,256,663	65,357	249,019	2,691,632	4,083,817	2,469,854	8,855,590		12,834,559			1,445,300	185,574	7,500	14,586	381,235		291,276	[illegible]
Union	1,661,525	8,673,510	365,000	4,500,000	1,269,861	9,178,877	118,530	2,245,923	5,467,115	8,790,636	11,936,234	3,581,988	5,307,603	6,456,749	70,201,230	5,459,631	912,782	4,246,452	180,906	243,716	146,307	1,104,575	3,423,147	44,433	[illegible]
Commerce	14,886,154	23,697,914	908,245	15,500,000	2,847,698	18,766,572	531	1,657,856	9,407,655	12,281,246	21,006,835	6,022,268	25,492,280	28,953,072	206,667,731	40,560,437	5,367,802	11,767,126	695,719	522,236	184,830	6,690,421	10,606,841	57,599	[illegible]
Royal	14,142,398	22,990,931	860 000	22 500 000	33,539,984	26,689,252	2,323	6,977,860	32,989,929	12,970,964	21,137,833	14,619,085	14,106,134	43,445,214	167,862,087	104,351,393	625,687	5,425,556	428,853	918,198	42,630	9,701,134	16,379,627	118,290	[illegible]
Dominion	2,092,477	18,052,783	309,575	4,000,000	1,104,306	7,530,033	1,005	427,043	1,453,968	5,106,158	9,956,980	1,810,680	7,646,420	5,139,899	65,570,275	523,395		636,670	80,913	5,408	19,326	5,631,453	1,823,472	330,844	[illegible]
Hamilton	915,768	3,799,917	225 000	1,500,000	759,590	4,402,624	705,770	38,420	1,095,712	2,314,703	6,206,068	423,350	6,793,249		52,338,837		516,569	1,804,941	200,914	519,213	185,239	2,305,232	588,785	328,931	[illegible]
Standard	1,752,828	6,271,375	175,000	3,400,000	485,653	5,061,597		833,696	1,193,964	4,405,073	6,875,687	803,432	3,324,684	300,000	52,716,281			1,375,855	496,971		59,750	1,685,292	631,018	21,497	[illegible]
d'Hochelaga	482,944	3,007,805	200,000	3,800,000	1,238,411	3,565,032	242,732	88,565	635,497	2,232,522	5,758,437	124,914	4,675,058		40,738,925			2,874,377	515,138	296,656	167,617	2,801,421	101,491	82,342	[illegible]
Imperial	1,701,359	10,221,508	378,830	7,002,533	1,287,250	7,963,706	563,111	428,654	6,306,317	6,031,370	10,297,816	415,087	3,593,375		61,376,501		885,627	4,151,693	672,802	487,685	436,048	5,168,851	199,639	670,097	[illegible]
Home	182 288	2,397,285	108,000	200,000	360,813	1,497,018	118,046	36,051	436,417	1,696,929	1,481,663	1,688,265	1,444,704		14,634,324	24,788		267,902	248,919	63,455	99,076	1,007,504		201,448	[illegible]
Sterling	138,044	996,860	65,000		194,094	943,560	5,500	100,828	150,242	9,226,578	3,017,138	384,114	120,473		7,714,672			90,006	7,622		2,750	491,143	15,320	257,474	[illegible]
Weyburn Security	17,512	165 559	22,196		19,106	35,695	722,533		92,642	277,962	253,464				1,964,428			95,551	19,378	24,397	19,736	203,271		75,727	[illegible]
Total	82,687,559	177,489,280	6,301,983	113,352,533	53,501,862	149,969,929	7,146,159	23,624,878	82,327,209	120,489,681	191,172,317	46,494,937	114,703,246	211,442,652	1,301,804,342	184,540,423	12,540,912	55,973,926	6,636,172	4,323,027	2,663,821	60,376,915	43,751,291	3,664,275	[illegible]

Column No 4. Of this deposit $11,502,533 is in gold coin; the balance is in Dominion Notes

WOULD TUNNEL GOAT ISLAND AND BUILD A DAM IN THE GORGE OF THE NIAGARA AT FOSTER'S FLATS

Scheme of T. Kennard Thomson to Develop Two Million Horse Power From Niagara's Great Resources

PLAN BEFORE THE FEDERAL COMMISSION

Would Mean the Scrapping of the Chippawa Scheme of the Hydro-Electric Commission, But Engineer Believes That Benefits Would Be Sufficient to More Than Offset the Loss—Details of the Ambitious Project.

At the recent sittings of the new Federal Power Commission at Washington a number of schemes were submitted for the development of power at Niagara Falls. The only one of an international character, and therefore, of direct interest in Canada, was that of T. Kennard Thomson—submitted on behalf of himself and Peter Porter—calling for the tunneling of Goat Island and the building of a dam in the river at Queenston. These developments, he submits, will create 2,000,000 horse power. The whole project has a bearing upon the power situation in Canada because the energy would be divided between the two countries. Further it would mean the scrapping of the present Chippawa project of the Hydro-Electric Power Commission.

Jan. 24, 1921.

To the Honorable Federal
Power Commission,
Washington, D.C.,

Gentlemen:

We respectfully beg to submit that the greatest and most uniform and most needed water power resources in the world are in the Niagara River, and that we could obtain the maximum amount of power at the minimum of cost from any further diversion of water from above the old falls by our Goat Island plan, and that the best method of developing the maximum amount of power at the minimum of cost in the lower river is by an international dam at Foster's Flats, about four miles below the old falls.

While the Goat Island plan will be entirely within the United States, we believe that Canada would readily agree to an international development at that point, as it would obviously save money to the consumers on both sides of the line forever.

Our two projects do not interfere with any of the existing power companies in any way whatever.

Indeed, while we realize tbat the Governments should control the price for which the power will be sold, we realize the enterprise, the risk and capital which the five pioneer companies put into these original plants, and we therefore think that in fixing such prices, the pioneer companies should be allowed to charge a difference of say $10 a horsepower more than we do, if they so wish.

Neither Mr. Porter nor myself have any financial interest of any kind in any of the present companies.

We realize that no matter what power is sold for, it will always be worth what it cost to develop power by coal.

The cheapest power ever developed by coal in New York city before the war was by the New York Edison and New York Interborough, and it cost them an average of $32.19 a horsepower. That would be equivalent to $70 or $80 a horsepower in the State of New York now, and I was informed in December that it was then costing $90 a horsepower to develop by coal in the city of Toronto.

We can develop two million horsepower at our new dam at Foster's Flats, at a cost of less than $100,000,000 or $50 a horsepower, and can do nearly as well at Goat Island. That means that we could sell for less than $10 a horsepower.

But, as there will never be enough water power to go around, if the manufacturers get our power at $10 or $15 a horsepower, they would have an unfair advantage over their competitors who had to pay $70 or $90 to develop power by coal.

The five pioneer companies developed 650,000 horsepower for $65,000,000, or $100 a horsepower. In doing this they attracted private capital to the extent of $650,000,000 or ten times what they spent themselves.

We claim, therefore, that it will be very much better to allow us to develop power and sell it for use within 100 miles from the site, thereby building up the greatest manufacturing district in the world, than to try to distribute it at long distances with scattering results.

Idea Ten Years Old

When first I started nearly ten years ago to agitate for this dam, people laughed at the idea that there would ever be a demand for 2,000,000 horsepower. In 1917 I wrote to the director of census, Hon. Samuel W. Rogers, asking him how much power was then in use in the State of New York, and what the normal rate of increase was. He sent me a very comprehensive reply, which summed up that we were then using over 3,000,000 horsepower a year in New York State and that the normal rate of increase was 10 per cent., or 300,000 a year. In other words, half of our dam which would go to the States would only supply one-third the amount of power then being used in the State of New York alone, or would only supply the additional demand for the next three years.

On the other hand, I might state that Niagara power is now being distributed in Syracuse, 160 miles away, with a loss of less than 10 per cent. using a voltage of 60,000. By increasing this voltage to 110,000 the power is distributed on the Canadian side of the Detroit River, about 250 miles. By doubling this voltage again, making it 220,000, the distance of transmission could again be doubled, making it 500 miles, with the same loss. By examining the enclosed diagram showing circles around Niagara Falls of 100, 200, 300, 400 and 500 miles, which area includes part of nineteen States of the Union and two Provinces of Canada and contains 60 per cent. of the entire population of the United States and 80 per cent. of the entire population of Canada, it will be seen that all of these would then be within commercial reach of this power. Although as we have shown above, we would only have one-third the amount of power required by one state alone.

It might be stated that New York city alone uses between six and seven hundred thousand horsepower a year.

So the people on the frontier, especially in Canada, now realize that they want all the power that they can get developed.

Dam at Foster's Flats

Many people in Canada now realize that our proposed dam in Foster's Flats must be built sooner or later, and that, when it is built, every cent spent on the Chippawa-Queenston Canal and similar diversions on either side of the river will have been so much money wasted, and I have not the slightest doubt that the Canadians will see the advisability of scrapping their canal, which I have been told is costing everywhere from $50,000,000 to $100,000,000 for the reason that no other plan or combination of plans will give within 1,000,000 horsepower as much as our dam will. And if Canada has half of that, it would be equivalent to 5,000,000 tons of coal a year at $10 a ton, making $50,000,000 a year. As soon as Canada is convinced, if she is not already convinced that she can get back the $50,000,000 a year, she will not hesitate to scrap the $100,000,000 plan if necessary.

As a matter of fact, however, it would not be necessary to scrap that or any of the other existing plants until they were worn out, but as our two projects are capable of using all the permissible water, such side issues simply add to the cost to the consumer forever. I have taken the liberty, gentlemen, of going into such detail in the hope that you will not allow further partial developments on this side of the line, to thus add to the cost forever.

In addition, not only would such diversions greatly add to the cost forever, but, we are quite confident that any further diversion of water from the rapids would result in an ice jam, which would probably destroy every plant in the river. My reason for this statement is that there is hardly enough water now going over the rocks in the rapids to carry the ice away. As a proof of this statement; some dozen years ago an ice jam was formed in the rapids which only lasted eight hours, and kept the water back until it had done considerable damage to the power plants at the falls, although such plants were at an elevation full 60 feet above the level of the water where the jam occurred, and when the jam broke absolutely destroyed everything in the river below, all the way down to Lake Ontario, for a height of over 20 or 30 feet above the original water level: wharfs, docks, trees, shrubs, buildings and everything being swept away. This jam was caused by a slight change in the wind at Buffalo, which held back the water for a short time, letting the ice pile up on the rocks in the rapids.

What Ice Can Do

An engineer making as drastic a statement as this should give more than one example. So I go back probably some millions of years, when an ice jam probably diverted the Niagara River, causing it to turn a right angle, thereby forming the whirlpool, cutting the brand new channel through the bed-rock.

By looking at the plan, it will be seen what an ideal location Foster's Flats is for the dam, for we can build the first part of the dam on dry land, carrying the base of the dam some 30 feet or more below the bed of the river and then divert the entire river through temporary openings at the bottom of the completed section of the dam, making it a comparatively simple matter then to dam the present channel of the river.

As we promise a dam with very flat slopes, about 700 feet base, it will be a very simple matter to handle the ice, as there will be nothing to prevent the ice from going right over the top of the dam to undermine it, the ice simply sliding off on the flat incline. This design has been called a submerged weir. There will be a minimum depth of 135 feet above the dam and minimum flow of about 220,000 cubic feet per second, so there will be no obstruction arising from the ice.

Goat Island Plan

A glance at the plan will show an inclined tunnel of 2,500 feet. It does not need any engineering figures to prove that such a tunnel is cheaper than tunnels five or six miles long or the Chippawa-Queenston Canal, which is 12¾ miles long. Furthermore, we do not lose the valuable head which, in case of the Chippawa-Queenston Canal, amounts to 16 feet. This tunnel can, of course, be extended far enough above Goat Island to take advantage of the entire head of the river, at and just above the old falls, and furthermore it does not destroy any property or scenic beauty on Goat Island whatever.

These two projects together could develop about 4,000,000 horsepower a year, every ounce of which could be readily sold, and it would be far better to sell it at the site, thereby developing great manufacturing centres and to pay enormous taxes to Canada and the States, so that all would derive equal benefits instead of taxing all for the benefit of a few.

At the same time the matter of canalization and power, of the St. Lawrence River should also be started. While it is true that the bulk of the power of the St. Lawrence River belongs to Canada, the United States will benefit enormously by the canalization of the St. Lawrence River, as well indirectly from the development of the power.

For the development of 4,000,000 horsepower in the St. Lawrence River, and 4,000,000 horsepower in the Niagara River, or 8,000,000 horsepower together, or to be conservative say 6,000,000, which is equivalent to 6,000,000 tons of coal a year, will mean that there will be ten Pittsburghs on the frontier. Such developments could not fail to benefit every town, village and city in the United States and Canada. As a matter of fact, the United States will probably benefit by a 30-foot draft from Montreal to the Great Lakes to a much larger extent than Canada, as our country already has free use of the Canadian canals, and I have been informed often make more use of them than the Canadians. The profile will show that there are five lifts in the St. Lawrence River between Montreal and Lake Ontario, and these might possibly be cut down to three or four.

International Scheme

If the United States and Canada will get together and give us the rights to develop this power, we will give a 30-foot draft to the Great Lakes without charge to either Government, and we will develop power, under Government supervision as to the plans, construction, operation, taxes, selling price of power and our remuneration.

If this work were done by Government ownership in the old sense of the word, God help the countries. On the other hand, it will be inconceivable to give a private monopoly worth $600,000,000 or so a year to any individuals. But if the Governments will give us the rights as above indicated, on the basis that we get so much remuneration if we develop power for say $15 a horsepower, less if it costs more than $15 a horsepower and much more for every dollar saved below $15, we would have all the incentives of a private ownership without any of the objectionable features.

We therefore beg of you, gentlemen, that you give us permission to develop the Goat Island plan, and that we also beg of you to arrange for an international agreement, treating the entire question as one unit, thereby saving untold millions to the future generations, for they will undoubtedly have to pay not only for our two proposed projects in the future, but also for any and all of the minor diversions such as the Chippawa-Queenston Canal or tunnels on either side of the river.

We therefore respectfully state that we think you have it in your power to create the greatest industrial centres in the world, the results of which would be so far reaching that there is carcely a country in the world that would not be benefited.

Respectfully submitted,
(Sgnd.) T. Kennard Thomson.

'PHONE CO. ARGUES RATE INCREASE IN PUBLIC INTEREST

Continued from page 17.

prices for equipment purchased from the Northern Electric Company, in which it holds a large stock interest, than would be necessary in the open market. The Northern Electric is a large manufacturing concern with assets over $16,000,000, and manufactures and sells electrical goods to the entire Canadian market. The Bell Company is its largest single customer, and takes from 15 to 30 per cent. of its product. The Bell Company holds 50 per cent. of the stock of this company, and the Western Electric is also a large shareholder. At the hearing it was shown that a contract between the Bell and Northern Electric companies did not compel the telephone company to buy exclusively from the Northern Electric but did compel the latter company to sell to the Bell Company at as low and even lower prices than to other customers.

Although the Northern Electric Company was not under investigation the commission decided that it would in the interests of all show that there was any attempt at "covering up of profits," was that the contract was not on a sound business basis.

The Northern Electric acts as a purchasing agent for the telephone company, thereby eliminating its own purchasing department. There was no criticism of the rate of commission to the company, but it was argued by the opposition that a cost plus agreement which might be advantageous to private companies was not a proper arrangement for public companies. It is apparent here however, that the business sagacity of the company directors may be relied upon to determine the most advantageous plan.

The evidence is now all before the board and there is no doubt that the judgment of this body appointed as a public safeguard and be framed in the best interests of both the company and the country at large.

MAIL ORDER HOUSES HIT

Sears, Roebuck Net Profits Show a Contraction

CHICAGO.—Shrinkage in purchasing power left its impress on the net returns to Sears, Roebuck & Co., last year, when the net income of $12,334,004, or 11.21 per cent. on the common stock, compared with $20,082,067, or 26.03 in 1919. The annual report involves new figures as it is the first consolidated statement issued by the corporation, and the balance sheet includes the assets and liabilities of the Philadelphia, Seattle and Dallas branches for the first time. The inventory of $105,071,243 is the largest in the history of the corporation, comparing with $42,685,776 in 1919, $47,531,007 in 1918 and $36,873,814 in 1917, and greatly exceeded the expectations of the financial district.

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Our Annual Report for 1920 shows again gratifying increases in respect of Income, Assets and Insurance in force. The following comparative summary will be of interest to insurers:

STEADY PROGRESS

	1918	1919	1920
Income	$1,213,401.75	$1,398,962.03	$1,605,597.52
Assets	4,986,495.15	5,514,144.71	6,194,958.46
Insurance in Force	26,842,967.30	33,735,247.10	40,574,890.65

FAVORABLE MORTALITY—ACTUAL TO EXPECTED	57.7%
HIGH INTEREST EARNINGS	6.87%

GOOD OPENING FOR ONE OR TWO ADDITIONAL ACTIVE REPRESENTATIVES. APPLY TO
M. E. MANNING, District Manager
208 Excelsior Life Bldg., Toronto

CANADIAN STOCKS

Quotations of listed Securities on Montreal and Toronto Stock Exchanges, with prices at closing on Feb. 1. In stocks listed on both Exchanges prices quoted are those of the market in which a stock is the more active

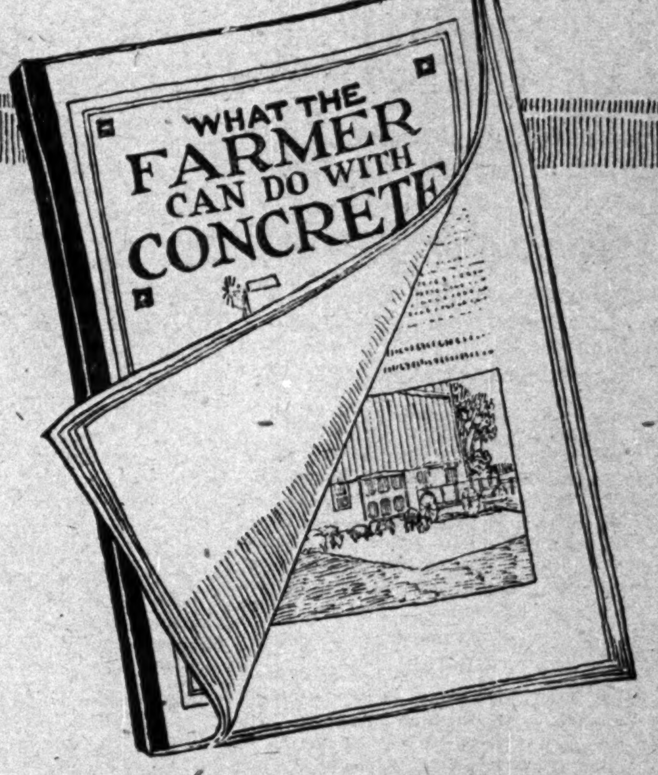
Capitalization: Preferred	Capitalization: Common	Capitalization: Bonds and Debentures	Div. Rate	Yield to Jan. 25	COMPANY	Range 1920 High	Range 1920 Low	Range 1921 to Jan. 25 High	Range 1921 to Jan. 25 Low	Close Feb. 1 Ask	Close Feb. 1 Bid	Week ending Feb. 1 High	Week ending Feb. 1 Low	Week ending Feb. 1 Close	Sales
...	5 000 000	6 160 600	6	10.62	Abitibi Power & Paper com	87	49¼	58	44	54⅛	54	56¼	52	52⅛	2,216
1,000 000	...	...	7	8.04	Abitibi Power & Paper pref	99	85	87	86¼	...	...	89	87	89	40
...	6 594 300	...	...	...	Amer. Cyanamid com	36	33	...	...	...	...	...	...	...	...
994 200	...	...	6	...	Amer. Cyanamid pref	65	62	...	...	65½	...	62	62	62	10
...	3 500 000	1 473 666	...	...	Ames-Holden com	137½	10	25	20	...	...	24	23	24	164
2 500 000	...	...	7	16.66	Ames-Holden pref	114¾	27	45½	30	...	...	41	35	35	111
...	614 660	537 442	...	...	Amer. Salesbook com	7½	5	...	...	...	...	...	...	...	...
3 073 300	...	...	7+1¾	9.09	Amer. Salesbook pref	83¼	70	77	72	76½	75	76½	76¼	76¼	11
...	3 000 000	2 940 000	6+1¾	7.45	Asbestos Corp. com	103	64	82	77	83	...	82½	82	82½	60
4 000 000	...	...	8	8.42	Asbestos Corp. pref	108	83	95	88½	95	94	95	93	94	190
...	3 500 000	1 345 000	10	...	Altantic Sugar com	164	16	33¼	20¼	31¼	31	33	29½	29½	2,625
2 500 000	...	...	7	8.28	Atlantic Sugar pref	184	24½	...	...	...	...	...	...	...	...
8 483 500	27 450 000	64 063 875	...	...	Barcelona Traction	9¼	3¼	4½	4	4½	4	4½	4½	4½	125
...	22 336 300	11 149 000	8	7.47	Bell Telephone	111¼	100	107½	99¾	110	...	112	100	108½	228
...	4 282 200	...	6	13.33	B. C. Fishing	66	34¼	45	38	...	43	44½	43	44	95
10 000 000	106 566 300	77 192 132	...	...	Brazilian Traction com	51¼	28	36	30½	33¼	33	34½	32¾	33	1,600
...	858 500	17 234	10	9.34	Burt. F. N. com	110	88	109	101½	107	105	107⅛	106½	107½	12
1 866 700	...	...	7	6.54	Burt. F. N. pref	110	90	107	96½	107	105	108	105	107½	44
2 000 000	7 000 000	2 375 000	7	12.61	Brompton Paper	85	42¼	57¼	51¼	53½	53	56½	50¼	50¾	4,708
...	2 500 000	1 146 872	...	...	Canada Bread com	32½	19	22	19¾	21½	21	22	21½	21½	30
1 250 000	...	...	7	8.23	Canada Bread pref	86½	84	85	...	...	86	87	87	87	10
...	4 975 000	7 757 822	...	...	Can. Car & Fdry com	74	29	43	31	...	...	40½	39	39	220
7 500 000	...	...	7	9.33	Can Car & Frdy. pref	109	67	79	64	...	...	78	76	76	173
...	13 500 000	6 509 573	6	9.37	Canada Cement com	75	54¼	67½	56½	61⅛	61	63¾	60	60	1,420
10 500 000	...	...	7	7.44	Canada Cement pref	100	88½	93¼	90	...	92¾	94	92¾	92¾	91
...	1 733 500	399 000	7	10.76	Can. Converters	80	51	65	59	64	60	65	63	65	105
...	2 805 500	9 500 000	...	...	Can. Cons Rubber com	100	87¾	...	...	...	...	...	...	...	...
3 000 000	...	...	7	7.00	Can. Cons. Rubber pref	95	92	...	...	...	...	...	...	...	...
...	2 715 500	4 567 105	8	10.52	Can. Cottons com	100	71	76½	72	...	79	77	77	77	50
3 661 500	...	...	6	8.33	Can. Cottons pref	83	66	72	70	...	72½	72	72	72	4
...	960 000	173 200	12	...	Can. Forgings, com	257	75	...	...	...	...	...	...	...	...
960 000	...	...	7	7.60	Can. Forgings, pref	92	91	...	...	...	...	...	...	...	...
...	8 000 000	...	8	7.69	Can. Gen. Electric com	109	93¾	105	94	103	...	104	102¾	103	261
2 000 000	...	...	7	7.29	Can. Gen. Electric pref	104	90	96	90	...	...	97	96	97	135
...	2 000 000	1 500 000	8	9.41	Can. Locomotive com	100	80	86	82	...	...	...	...	...	...
1 500 000	...	...	7	8.23	Can. Locomotive pref	95	80	86	83	...	...	...	...	...	...
80 681 921	260 000 000	271 934 882	10	7.63	Can. Pacific Railway	142	125	141	131	132	131	133	129¼	132½	708
...	800 000	369 000	8	8.88	Can Salt	147	85	...	...	...	...	87½	87½	87½	5
...	12 000 000	7 979 619	7	14.43	Can. Steamships com	80¼	34	50⅛	46½	46½	46	49½	44½	45	1,334
12 500 000	...	...	7	9.58	Can. Steamships pref	85	60½	74	65	72	...	73	71	71½	563
...	1 200 000	454 500	...	...	Carriage Fact. com	49¼	7½	20	12	...	...	...	...	...	...
1 200 800	...	...	...	...	Carriage Fact. pref	90½	72¼	...	...	...	...	65¾	65¾	65¾	6
...	565 000	...	...	...	City Dairy com	62	50	55	...	...	56	60	60	60	4
700 000	...	...	7	8.53	City Dairy pref	99	85	82	...	...	...	...	...	...	...
...	5 360 700	...	10	7.40	Consumers Gas	150	125	137	124¾	132	131	134½	131½	133	742
...	6 212 666	...	6	13.04	Crow's Nest Coal	59½	40	47	45	...	...	...	...	...	...
...	15 000 000	35 757 500	8	8.98	Detroit United Rly	113¾	79¼	90¼	88	91	90½	91	90	90½	365
...	6 500 000	...	8	8.69	Dominion Bridge	115	69	92	76	92	...	90½	89½	89½	50
...	2 796 300	1 719 410	...	...	Dom. Canners com	66¼	26	42½	34	...	41	45	39¾	40	2,000
2 290 600	...	...	7	8.75	Dom. Canners pref	90	79	80	78	...	...	...	...	...	...
3 000 000	15 000 000	5 864 500	7	8.97	Dominion Coal pref	97½	70	78	63½	...	...	...	...	...	...
...	4 250 000	1 683 363	6	8.95	Dominion Glass com	69¼	57	64	56	62½	60	63	60	6	30
2 600 000	...	...	7	8.53	Dominion Glass pref	91	82¼	82	77½	82	81¾	82	82	82	35
5 000 000	25 000 000	13 434 313	7	9.72	Dominion Iron pref	92	65	73	68	...	...	76	73½	74¾	110
7 000 000	37 100 000	20 450 682	6	12.63	Dominion Steel Corp.	82½	39	49	42	45½	45	47	45	45	1,554
...	1 000 000	...	6	7.22	Dom. Telegraph	91¾	80	83	81	...	82	85	85	85	12
...	5 000 000	4 767 500	10	9.00	Dom. Textile com	146½	96½	111	104	111	109	110	109½	109½	20
1 940 600	...	...	7	7.44	Dom. Textile pref	105	89	94	89½	...	...	...	...	...	...
1 500 000	3 500 000	3 500 000	4	...	Duluth Superior	28	12	13	...	13	12½	13	13	13	25
...	2 250 500	950 000	...	...	Goodwins com	35	26	...	...	...	...	...	...	...	...
1 750 000	...	...	7	9.33	Goodwins pref	95	75	...	...	...	...	...	...	...	...
...	1 000 000	225 000	...	...	Holt Renfrew com	70	62	...	...	...	...	...	...	...	...
1,000,000	...	...	7	8.75	Holt Renfrew pref	85	80	...	...	...	...	...	...	...	...
...	2 500,000	800,000	8	8.00	Howard Smith Paper com	167	74½	110	100	...	102	101	101	101	10
1,500,000	...	...	8	8.69	Howard Smith Paper pref	107½	91	92	91	...	91	92	92	92	15
7,289,500	...	...	6	9.69	Illinois Traction pref	70	64	70	65	...	69	70	69	69	87
500,000	6,267,005	...	25c.	...	International Petroleum	82	20	...	...	...	...	...	...	...	...
...	2,198,018	1,902,500	8	8.69	Kaministiquia	97	83½	92	...	...	...	93	92	92	62
...	2,800,000	900,000	12	8.16	Lake of the Woods com	220	130	147	135½	158	155½	155	155	155	422
1,500,000	...	...	7	7.44	Lake of the Woods pref	112	93½	94	...	...	...	...	...	...	...
...	9,600,000	565,778	6	6.45	Laurentide Paper	125	81	95	91	93	90½	93	90	91¼	2,035
1,300,000	1,750,000	934,900	8	11.42	Lyall Construction	99	35	75	47½	69	68	71	69	69	120
2,388,600	3,000,000	...	...	...	Macdonald A. com	44¼	19	25	20	25	24	25	24	24	95
...	41,380,400	...	6	7.77	Mackay com	79½	67¼	80	69	77	75	77½	76½	77	108
50,000,000	...	...	4	6.25	Mackay pref	74	61	65	63½	63¾	62	64½	64	64	28
...	2,500,000	...	12	8.33	Maple Leaf Mill com	196	133	145¼	138	...	144	146	146	146	110
2,930,000	...	...	7	7.36	Maple Leaf Mill pref	104	92	95½	93	...	97	97	97	97	10
...	1,275,000	...	...	...	Monarch Knitting com	75	60	...	...	...	...	...	...	...	...
750,000	...	...	7	8.75	Monarch Knitting pef.	90	85	80	78	...	...	...	...	...	...
...	2,949,600	...	6	8.00	Montreal Cottocs com	87	78	75	...	...	...	...	...	...	...
2,949,600	...	...	7	7.69	Montreal Cottons pref	105	90	91	90	...	...	...	...	...	...
...	64,126,100	...	5	5.84	Montreal L.H. & P. cons	90	76	86	81½	85	84	86	84	89	421
...	2,000,000	...	8+½	7.27	Montreal Telegraph	124	110	111½	110	...	...	110	110	110	43
...	3,861,070	36,608,153	10	8.00	Montreal Tramways	155	125	127½	125	...	...	135	130	135	20
...	2,254,300	1,580,000	4	7.54	National Breweries com	70	39¼	54½	48½	53¾	53½	56¼	52¼	52¾	10,738
2,775,000	...	...	7	7.36	National Breweries pref	97	93	...	...	...	...	...	...	...	...
...	2,000,000	...	...	...	Nat. Steel Car com	12	3	4½	4	5½	5	5½	5	5¼	70
1,500,000	...	...	7	...	Nat. Steel Car pref	41½	21	28	22	...	...	...	...	...	...
...	15,000,000	11,102,437	5	12.50	N. S. Steel & Coal com	80	33½	42	37	42	39	39½	39¼	39⅛	73
1,000,000	...	...	8	10.66	N. S. Steel & Coal pref	107	75	...	...	...	...	...	...	...	...
...	2,500,000	2,350,000	12	5.79	Ogilvie Milling com	280	175	207	180	...	...	...	...	...	...
2,000,000	...	...	7	7.00	Ogilvie Milling pref	105½	97	100	99	...	99	100	99¾	99¾	64
...	750,000	538,200	8	11.42	Ont. Steel Products com	89	50	70	58	68	66	68	67	67½	75
750,000	...	...	7	...	Ont. Steel Products pref	89½	89	...	...	...	...	...	...	...	...
...	3,500,000	2,125,000	6	8.57	Ottawa L. H. & P.	81	70	70	...	...	70	72½	70	72½	52
...	650,000	...	2	5.71	Pacific Burt. com	42	30¼	35	34	...	...	...	...	...	...
650,000	...	...	7	8.86	Pacific Burt. pref	85	76	79	76	...	...	...	...	...	...
...	2,150,600	2,000,000	8	8.00	Penmans Ltd. com	148½	93	100	95	...	100	100	100	100	30
1,075,000	...	...	6	7.40	Penmans Ltd. pref	91½	74	81¾	78	...	...	...	...	...	...
...	749,500	...	...	...	Port Hope Sanitary c	27	25	...	...	...	...	...	...	...	...
400.000	...	...	7	...	Port Hope Sanitary pre	42	30¼	...	...	...	...	...	...	...	...
...	3,000,000	3,837,666	4	...	Porto Rico Rlys. com	50	28½	40	37	43	40	40	40	40	25
1,000,000	...	...	7	10.00	Porto Rico Rlys. pref	79	60	70	64	...	...	...	...	...	...
...	8,534,200	5,372,098	8	3.20	Price Bros	385	250	253	250	...	260	250	250	250	47
...	2,481,300	95,000	6+1	6.48	Provincial Paper com	132	80½	93	87¾	...	94¼	95	94¾	95	51
1,700,000	...	...	7	8.04	Provincial Paper pref	100	85	...	...	...	...	87½	87¼	87½	2
...	9,999,500	11,045,000	...	...	Que. Railway L.H.	36¾	18	27	22	26	25¾	26½	25	26½	2,575
...	4,500,000	5,909,400	10	7.45	Riordon Paper com	226	126½	149½	126¾	153	...	160	142	142	1,981
1,500,000	...	...	7	8.75	Riordon Paper pref	101½	83	80	...	...	...	...	...	...	...
...	1,500,000	502,000	...	...	Rogers Wm. com	71	52	55	53	...	...	...	...	...	...
1,122,800	...	...	7+1¾	8.23	Rogers Wm. pref	102	80	87	5	86	82	85½	85	85	15
...	800,000	...	7	9.33	Russell Motor com	89	70	...	...	...	...	...	...	...	...
1,200,000	...	...	7	11.66	Russell Motor pref	98	40	65	46	60	...	60	60	60	50
...	1,500,000	478,868	...	...	Sawyer-Massey com	20	13	15	...	15	...	13	13	13	5
1,500,000	...	...	...	...	Sawyer-Massey pref	67¼	35	51	45	...	...	54	50¼	54	95
...	20,000,000	9,353,261	7	6.48	Shawinigan W & P.	119½	97½	109½	104½	107½	...	107½	106	107½	473
...	4 000,000	2,226,006	6	...	Sherwin Williams com	119	75	...	...	...	...	88	85	88	25
3,425,000	...	...	7	7.77	Sherwin Williams pref	100	85¾	90	87	...	...	90	90	90	1
...	8,750,000	...	8	6.15	Shredded Wheat com	142	130¼	130	...	...	...	...	...	...	...
1,250,000	...	...	6	6.12	Shredded Wheat pref	98	98	...	...	...	...	...	...	...	...
...	8,000,000	10,332,113	7	8.43	Spanish River Pulp com	129	75	89¼	80½	...	82	83½	80	80	1,726
5,699,100	...	...	7	7.60	Spanish River Pulp pref	149	82	95	90	91	90¾	92¼	90	90	2,231
...	11,500,000	8,562,225	7	11.07	Steel of Canada com	88½	54¾	64	59	64	63½	64	63	63	860
6,496,300	...	...	7	7.69	Steel of Canada pref	01½	85¾	92½	86½	...	92	93	90	93	79
...	1,200,000	160,590	6+1	9.75	St. Lawrence Flour com	139	59	75	61½	74	73	74	73	73	45
575,000	...	...	7	7.36	St. Lawrence Flour pref	98½	92	...	...	90	85	90	85	90	36
...	7,894,000	1,440,000	...	...	St. Maurice Paper	170	123	120	...	...	...	...	...	...	...
...	650,000	...	...	...	Tooke Bros. com	86	67	...	...	55	...	57	50	55	80
985,000	...	...	7	9.33	Tooke Bros. pref	91	83	75	...	...	...	78	75	78	50
...	12,000,000	2,502,306	...	...	Toronto Railway	65	35	65	59½	69	68	70	64	69	4,191
...	2,500 000	...	4	8.33	Tuckett Tobacco com	57½	41	48¼	41	50	47	49	48½	49	32
2 000,000	...	...	7	8.43	Tuckett Tobacco pref	93	81¼	83	82	...	...	...	...	...	...
3,000,000	22,000,000	20,213,000	...	...	Twin City com	49	31½	47	43½	46	45	47	47	47	28
...	1,750 000	891 000	4	8.33	Wabassa Cotton	135	48	48	42½	...	...	46	46	46	55
...	5,000,000	3,302,600	6	7.40	Wayagamack	150¼	71	89	76½	85	82	84	80½	82	320
...	2,449,588	1,371,55	8+15	6.66	West. Can. Flour	145	105	...	...	...	...	...	...	...	...
...	9,000,000	10,130,000	...	...	Winnipeg Rly	38	26	41¼	36	40	39¾	40½	39	39	278
...	1,500,000	600,00	1½+2	4.13	Windsor Hotel	100	70	145	120	...	...	...	...	...	...
...	1,718,600	410,000	8+5	8.00	Woods Mfg. com	110	9½	...	...	...	...	...	...	...	...
1546.500	...	...	7	8.53	Woods Mfg. pref	86	78¼	...	...	...	...	...	...	...	...

BANKS

Capital	Reserve	Div. Rate	Yield to Jan. 25	BANKS	Range 1920 High	Range 1920 Low	Range 1921 to Jan. 25 High	Range 1921 to Jan. 25 Low	Close Feb. 1 Ask	Close Feb. 1 Bid	Week Ending Feb. 1 High	Week Ending Feb. 1 Low	Week Ending Feb. 1 Close	Sales
15,000,000	15,000,000	12+1	6.31	Commerce	199½	173¼	200	179¾	190	189	190	189½	189½	98
6,000,000	7,000,000	12+1	5.88	Dominion	206	190	204	191½	202	...	203½	202½	202½	7
4,000,000	4,200,000	12	6.48	Hamilton	194	168	185	169¼	186	184	185	184	184	56
4,000,000	4,000,000	10	6.62	Hochelaga	158½	151	153	151	...	...	...	...	...	...
7,000,000	7,500 000	12	6.31	Imperial	200	184	190	185	190	188½	190	190	190	56
10,029,622	8,400,000	12	6.83	Merchants	203	158	182	168	...	177	179	175	179	47
4,000,000	5,000,000	12	6 89	Molsons	194	169	174	168½	...	...	...	...	...	...
22,000,000	22,000,000	12+2	5.74	Montreal	220½	185	212	195½	...	202	209	205	205	99
2,000,000	2,300,000	12	6.89	Nationale	174	162¾	174	171	...	...	165	165	165	222
9,700,000	18,000,000	16	6.03	Nova Scotia	273	243	265	249	...	260	260	260	260	20
20,134,010	20,134,010	12+2	5.90	Royal	233½	189½	208	193½	204	202	203½	200	202	183
3,500,000	4,500,000	14	6.94	Standard	222	200	205	198	203¼	203	204½	203	203	121
5,000,000	6,000,000	12	6.25	Toronto	197	179	192	182	...	191	192	192	192	1
8,000,000	6,000,000	10+2	6.41	Union	161	139	157	146	160	158	160	157	160	83

LOAN, TRUST AND INSURANCE

LOAN, TRUST AND INSURANCE	Div. 1920	Pres. Div. Rate	Range for 1920 High	Range for 1920 Low	Latest Price Ask	Latest Price Bid	Last Sale	LOAN, TRUST AND INSURANCE	Div. 1920	Pres. Div. Rate	Range for 1920 High	Range for 1920 Low	Latest Price Ask	Latest Price Bid	Last Sale
Canada Landed	10	10	150¼	110	135	...	130¾	Montreal Loan	12	...	165	155	...	...	155
Canada Permanent	10	10	178	157	...	170	170	National Trust	11	12	230	198	195	190	198
Central Canada	10	10	...	...	...	...	...	Ontario Loan	10	10+¼	160	155	...	160	155
Col. Investment pref	6	6	82	67	78	77	78	Real Estate Loan	7	7	95	92	...	...	92
Dominion Savings	5	5	72	72	...	70	72								
Great West. Per	5	...	...	...	...	...	89½	Toronto General Trusts	10+1	12	211	196½	200	180	180
Hamilton Provident	9	9	146	145	145	140	140	Toronto Mortgage	9	9	135	129½	...	130	132½
Huron & Erie	6+1	6+¼	113½	110	...	112½	112½	Toronto Savings	10	10	...	...	...	...	185
Landed Banking	8	8	142	141	140	137	141	Union Trust	7	7	...	...	105	...	100
London and Canadian	9	9	126	110	...	112	115	Confederation Life	20	20	310	300	...	...	...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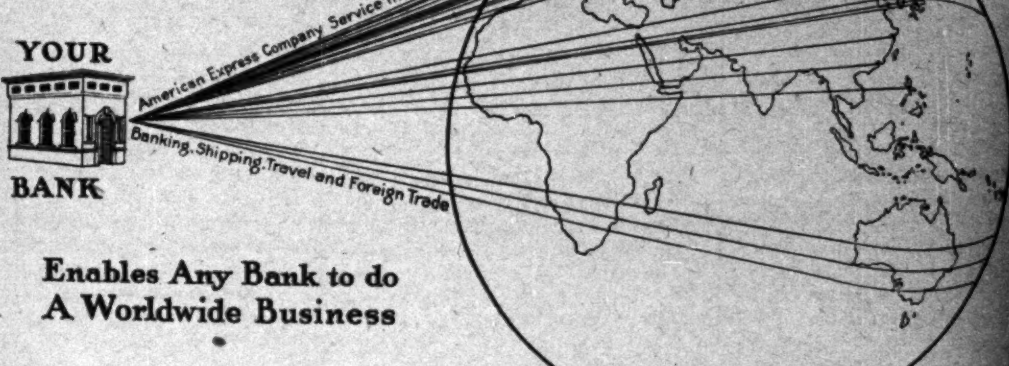
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TORONTO

PULP AND PAPER EXPORTS IN 1920 OVER $163,000,000

Increase of 70% in All Over 1919 With Groundwood 145% Up

LESS PULP DECEMBER

Slight Falling Off at End of Year—High in August—Detailed Figures Month By Month

By Resident Representative.

MONTREAL.—Returns of the Department of Trade and Commerce, as completed for the final month of December make it possible to figure out the exports of pulp and paper from Canada for the calendar year of 1920. It is seen that the total was over $163,000,000, or an increase of 70 per cent over the exports of the year 1919.

The exports of papers alone amounted to $86,744,010, as compared with $59,983,269 for the previous year, showing an increase of 44½ per cent. In chemical pulp there was a much greater increase as many of the mills greatly increased their production especially in the spring, owing to the strong demand and the very high prices. The total for the year was $58,819,170, as compared with $29,002,558 for 1919, showing a gain of an even 100 per cent. But it was in mechanical, or groundwood pulp, that the heaviest gain was shown, for this ran up 145 per cent., increasing from $7,182,361 to $17,574,806.

The figures for the year are instructive as indicating the peak of the demand for pulp and the highest prices. In chemical pulp this includes May to September; in mechanical in the the latter month there was a falling off, both in demand and in price. Taking all the exports the high month reached was August last, with over $18,000,000, or $10,000,000 more than for the same month in the preceding year. During November and December there was a falling off in chemical pulp exported although in the last month of the year there was a gratifying return in exports of groundwood pulp up to a good average with other months.

The newsprint exports in the latter part of the year held up in quantity to other months and in value ran well ahead. This seems likely to be the case for the first half of 1921 at all events. There may be a cut in prices in newsprint on the first of April, and indeed this seems likely, and it is hardly possible for pulp prices to hold at the high levels of 1920. All are down at the present time, with the result that there is little surplus production being carried on by the paper mills.

Below are given the figures for paper, chemical and mechanical pulp, and the totals month by month for the past two years:

Exports of Paper

	1920	1919
January	$ 5,519,718	$ 4,582,687
February	6,304,368	5,231,878
March	7,231,207	5,970,598
April	4,729,354	3,630,238
May	6,939,346	5,138,420
June	7,877,740	4,124,526
July	6,877,014	4,639,225
August	6,746,817	4,999,258
September	7,855,493	4,587,579
October	8,128,254	5,954,916
November	7,897,465	4,911,514
December	8,637,214	6,212,430
	$86,744,010	$59,983,269

Exports Sulphite and Sulphite Pulp

	1920	1919
January	$ 2,658,974	$ 2,193,194
February	2,615,156	1,916,828
March	3,875,281	2,041,884
April	2,936,633	1,120,990
May	4,318,972	2,315,276
June	6,254,409	1,813,027
July	6,608,740	2,654,333
August	6,702,644	2,873,186
September	6,753,156	2,231,576
October	6,590,944	3,965,946
November	5,441,786	2,108,068
December	4,048,477	2,768,250
	$58,819,170	$29,002,558

Exports of Ground Wood Pulp

	1920	1919
January	$ 972,574	$ 362,322
February	472,383	217,421
March	562,308	226,554
April	506,369	217,711
May	779,710	356,905
June	2,136,767	619,891
July	2,528,993	436,604
August	2,809,266	475,735
September	1,877,053	511,402
October	1,986,807	1,942,716
November	1,016,184	997,408
December	1,926,392	817,692
	$17,574,806	$ 7,182,361

Totals—Pulp and Paper

	1920	1919
January	$ 9,151,266	$ 7,138,200
February	9,391,927	7,366,127
March	11,668,796	8,239,036
April	8,172,356	4,968,939
May	12,038,028	7,810,601
June	16,268,916	6,557,444
July	16,014,747	7,730,162
August	18,258,727	8,348,179
September	16,490,702	8,330,557
October	16,706,005	11,863,578
November	14,155,435	8,016,990
December	14,612,032	9,798,372
Total	$163,128,937	$96,168,188

Negotiations are pending between Cunard Line and British Government whereby the former will buy the ex-German liner "Imperator," according to copyright special to the "World." The same authority says the White Star Line will purchase the "Bismarck."

INVESTORS' INQUIRIES

Continued from page 11.

payable in sterling only, and the coupons attached to these bonds will be paid at the rate of exchange prevailing on the day the coupons are presented to the bank for payment. The decision, as you will observe, does not affect you as your bonds are payable in either British or Canadian funds.

SHEFFIELD LUNCH

C. D., Ontario.—Would like your opinion of the Sheffield Lunch, Ltd., as a fair investment.

The Sheffield Lunch, Ltd., reports a highly satisfactory dividend record for the past year, but whether the company will be able to maintain these earnings is problematical. There is a growing competition in this line and food prices are now subject to rather extensive fluctuations.

KING EDWARD HOTEL

Enquirer, Campbellford.—Will you please give me your opinion of the King Edward Construction 8% preferred stock as a fair investment.

There does not appear any reason why the King Edward Hotel should not do a profitable business in this city, where there is a lack of first-class hostelries.

ACADIA SUGAR

Enquirer, Mission City.—Can you give me an idea of the present market value of shares of the Acadia Sugar Company?

Inquiries regarding Acadia Sugar Company indicate that the present market for the stock is about $15 a share. However, as this stock was issued in the United States by Imbrie & Co., of New York City, you might communicate with them if seeking further information. A letter addressed as indicated should reach them.

DIVIDEND PAYMENTS

Enquirer, Morrin, Alta.—Will you advise me as to your opinion in a case where, say a purchaser wishes to invest in certain shares of an institution where these shares' par value are $100, but to buy them now, the investor would of course require to pay the market value which we will presume would be $150 a share. Would not his investment draw him interest in dividends on the $100 only? If they were paying 12% for instance, his income would be at this rate of interest on the $100, and he would have a subsequent benefit if these shares should increase in value on the market if he should sell them at such a time.

There is no arbitrary ruling establishing par value of a stock at 100, although the majority of companies have adopted this figure. The market price of a security fluctuates above or below par, according to the extent of the favor in which the stock is held. Dividends as you suggest are declared upon the par value of the stock and are not influenced in any way by the price at which the security is selling. Rather the market price is influenced by the extent of the dividend. In the case you quote the 12 per cent. dividend would be 12 per cent. of par value, and would be $12. That is, for every share for which you paid $150 you would get an annual return of $12, provided the dividend rate did not vary. You would therefore be getting a yield of 8 per cent. on your investment. If the market price of the stock moved up you could, of course, sell out, and get the benefit of the appreciation over the price at which you bought.

A number of companies have adopted the plan of issuing "no par value" stock. In this case, instead of issuing dividends at the rate of 12 per cent. of par value, the dividend would be probably quoted as $12 per share, and the return on the investment would vary, of course, according to the price at which the stock had been bought. The distinction here does not affect the earnings of the stockholder.

SHELL TRANSPORT AND TRADING CO.

E. M., Victoria.—What is the value of ordinary shares in Shell Transport & Trading Co., 14 St. Helen's Place, London? Is there a market in Canada and would the purchase of them come under the prohibition of the finance minister?

The quotation on Shell Transport & Trading common in London on December 17, the latest available, was £5⅝ to £5¼. This stock sold as high as £6 19/32 during the previous year. You will probably have noticed that the restrictions regarding the importation of securities held outside the country have been removed.

MORTGAGE DISCOUNTS AND FINANCE

Reader, Toronto.—Would like to have your opinion of the Mortgage Discount and Finance Ltd.

As is customary in the case of new incorporations, the Mortgage Discount and Finance, Limited, should be approached with caution by the individual who is considering purchasing stock. At the moment there does not appear any special merit or demerits in this company. The members of the board of directors are for the most part well-known in the business world and for that reason it would appear that the company would be assured of capable management. On the other hand, we know very little of the company that is handling the stock issue. This company has evidently been recently formed, Mr. Scott, we understand, having been connected with the H. V. Green & Co., of Boston, where he received his early training. Some of their advertising propaganda may be criticised on the ground that it savors too much of the type favored by the "bucket-shop" brigade. Note this morsel: "Do not purchase 'Wild Cats' or chase 'Rainbows' with your money. Both forms of amusement have proved too expensive for the ordinary individual." This is offered as mere comment, however, and does not reflect upon the integrity of the company. We can scarcely regard this in the light of a "widow and orphans" investment, and would advise all in this category, and all others to whom safety of principal is of first consideration, to look elsewhere.

LOEW'S BUFFALO

R. B., Hamilton.—I would greatly appreciate it if you would favor me with your opinion as to the value and saleability of Loew's Buffalo Theatres, Inc., common stock, par $10.

There is some sale for Loew's Buffalo Theatres, Inc., stock in Canada at the present time, with prices ranging from $4 to $6 per share. The brokerage house of Bongard, Ryerson & Co., Toronto General Trust Building, Toronto, is, we understand, interested in this company, and would no doubt arrange a sale of your stock if you were to communicate with them.

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REPORT BY THE DIRECTORS TO THE SHAREHOLDERS OF

The Standard Trusts Company

For the Year which ended 31st December, 1920

The Eighteenth Annual General Meeting of the Shareholders of the Standard Trusts Company, was held at the Head Offices of the Company in Winnipeg on Thursday, the 27th day of January, 1921. There was a good attendance of Shareholders, and the following report and financial statement were submitted and adopted:

FINANCIAL STATEMENT FOR THE YEAR ENDED 31st DECEMBER, 1920

To the Shareholders:—

Your Directors have pleasure in submiting herewith the Company's Financial Statement showing its operations during the past year.

Balance at credit of Profit and Loss Account brought forward from last year	$ 26,645.34
Net profits for the year, after providing for all costs of management and investment, income, and other taxes, interest on Guaranteed Investment Certificate, etc.	101,822.84
	$128,468.18
Appropriated as follows:— Dividends Numbers 32 and 33 at the rate of 9% per annum	90,000.00
Leaving to be carried forward	$ 38,468.18

Your Directors have to record, most regretfully, the passing of one of their colleagues in the person of Mr. P. C. McIntyre, a most respected citizen, and a very valuable member of the Investment Committee. It is not in contemplation that the vacancy on the Board be filled meantime.

All your Directors, in accordance with the Company's By-laws, retire, but are eligible for re-election.

Your Auditors, John Scott & Company, also retire and offer themselves for re-appointment.

Respectfully submitted,
M. BULL, President.

Winnipeg, January 20th, 1921.

COMPANY ASSETS

Cash in Bank and on Hand	$ 76,145.16
Loans on First and Equitable Mortgages	1,319,088.67
	$1,395,233.83
Advances to Estates under Administration	775,166.85
Office Premises—Winnipeg and Saskatoon	246,565.78
Balance of Mortgages	394,725.94
Foreclosed Properties	217,289.27
Miscellaneous	4,720.34
	$3,033,702.01

TRUSTS' ASSETS

Mortgages and Agreements of Sale in Process of Collection	$ 3,314,564.62
Estate Assets—Real	5,288,987.51
Estate Assets—Personal	3,641,063.26
	$12,244,615.39

AGENCY ASSETS

Clients' Allocated Securities	$ 1,159,964.83
Grand Total	$16,438,282.23

COMPANY LIABILITIES

Balances due to Estates under Administration, invested and held for distribution	$ 754,073.85
Clients' Invested Funds—Guaranteed	577,259.73
Reserve for Government Taxes	10,000.00
Sundry Outstandings	8,900.25
Dividend No. 33, payable 3rd Jan., 1921	45,000.00
	$1,395,233.83
Capital Stock Subscribed	1,000,000.00
Reserve	600,000.00
Profit and Loss Account	38,468.18
	$3,033,702.01

TRUSTS' LIABILITIES

Clients' Estates under Administration	$12,244,615.39
	$12,244,615.39

AGENCY LIABILITY

Clients' Funds Invested in allocated Securities as per contra.	$ 1,159,964.83
Grand Total	$16,438,282.23

N.B.—The Company is also Trustee for Bond Issues amounting to $10,000,000.00.

MANLIUS BULL, President.
WM. HARVEY, Managing Director.

PROFIT AND LOSS ACCOUNT

Balance, 31st December, 1919	$ 26,645.34	
Net Profits for the year, after deducting Expenses of Management, Directors' and Auditors' Fees, Commissions, etc.	101,822.84	
		$128,468.18
Appropriated as follows:— Dividends Nos. 32 and 33 at the rate of 9 per cent. per annum	$ 90,000.00	
Balance carried forward	38,468.18	
		$128,468.18

AUDITORS' CERTIFICATE

We beg to report to the shareholders that we have audited the Books and Accounts of The Standard Trusts Company at its Head Office and Branches for the year ending 31st December, 1920, and hereby certify that the above Balance Sheet is, in our opinion, properly drawn up so as to exhibit a true and correct view of the Company's affairs, according to the best of our information and the explanations given us, and as shown by the Books of the Company. All loan balances have been checked with the Mortgage Ledgers, and the Securities covering such loans have, as in previous years, been duly inspected and the cash and bank balances verified. All our requirements as Auditors have been complied with.

JOHN SCOTT & CO.,
Chartered Accountants,
Scotland and Manitoba.

Winnipeg, 18th January, 1921.

Messrs. John Scott & Company were re-appointed Auditors, and the following Directors were re-elected to serve on the Board during 1921:

Messrs. William Harvey, E. S. Popham, M.D., John A. Girvin, Kenneth MacKenzie, John Persse, John Stovel, Manlius Bull, W. A. Matheson, W. R. Bawlf, Hon. W. B. Willoughby, K.C., John McFarland and J. C. Gage.

At a subsequent meeting of the Directors, Mr. Manlius Bull was re-elected President, Mr. William Harvey and Dr. E. S. Popham, Vice-Presidents, while the working or Executive Committee were elected as follows: Messrs. M. Bull, William Harvey, E. S. Popham, M.D., John A. Girvin, and W. A. Matheson, with Mr. Bull as Chairman.

Canada Permanent Mortgage Corporation

ANNUAL MEETING

The Annual Meeting of Shareholders of the Canada Permanent Mortgage Corporation was held at the Head Office of the Corporation, Toronto Street, Toronto, on Friday, January 28th, at twelve o'clock noon.

The chair having been taken by the President, Mr. W. G. Gooderham, the Assistant General Manager, Mr. George H. Smith, was appointed Secretary of the meeting, and read the Report of the Directors for the year 1920, and the Statement of Assets and Liabilities, which are as follows:—

REPORT OF THE DIRECTORS

The Directors have much satisfaction in submitting to the Shareholders the Annual Statement of the business of the Corporation for the year 1920. It has been duly certified by the Auditors.

The net profits for the year, after deducting interest on borrowed capital, expenses of management, all charges and losses, together with War Revenue, Dominion Income and other Taxes, amounted to		$ 854,277.30
The balance at the credit of Profit and Loss at the beginning of the year was		150,493.28
Making available for distribution		$1,004,770.58
This sum has been appropriated as follows:—		
Four quarterly dividends of Two and One-half per cent each on the Capital Stock	$	600,000.00
Transferred to Reserve Fund		250,000.00
Balance carried forward at credit of Profit and Loss		154,770.58
		$1,004,770.58

The Reserve Fund now amounts to Six Million Dollars and is equal to the Paid-up Capital.

All which is respectfully submitted.

W. G. GOODERHAM,
President.

Toronto, January 12th, 1921.

FINANCIAL STATEMENT

31st December, 1920

ASSETS			
Office Premises—Toronto, Winnipeg, Vancouver, Saint John. Edmonton, Regina, Woodstock, Halifax		$ 732,134.59	
Real Estate held for sale		451,333.74	
Mortgages on Real Estate—Principal $27,337,655.75, Interest $726,613.51		28,064,269.26	
Loans on Stocks, Bonds, etc., Loans on the Corporation's Stock	$132,037.91		
Loans on other securities	164,585.88		
		296,623.79	
United Kingdom, Dominion of Canada, and Provinces of Canada Securities		383,666.66	
Canadian Municipalities, School Districts and Rural Telephone Debentures		204,057.40	
Other Bonds, Debentures and Debenture Stocks		416,620.60	
Stocks—Canadian Pacific Railway Company	$285,000.00		
The Canada Permanent Trust Company	978,000.00		
		1,263,000.00	
Cash in Chartered Banks and on Hand		1,253,848.11	
			$33,065,554.15

LIABILITIES			
To the Public—			
Debenture Stock and Accrued Interest (£87,846 9s. 7d.)		$ 427,519.54	
Debentures—Sterling—and Accrued Interest (£1,981,346 1s. 2d.)		9,642,550.80	
Debentures—Currency—and Accrued Interest		4,553,765.21	
Deposits and Accrued Interest		6,129,483.21	
Sundry Accounts		7,464.81	
			$20,760,783.57
To the Shareholders—			
Capital Stock subscribed	$6,000,000.00		
Capital fully paid		$ 6,000,000.00	
Reserve Fund		6,000,000.00	
Dividend payable 3rd January, 1921		150,000.00	
Balance carried forward at Credit of Profit and Loss Account		154,770.58	
			$12,304,770.58
			$33,065,554.15

R. S. HUDSON, Vice-President and Joint General Manager.
JOHN MASSEY, Joint General Manager.

We beg to report that we have audited the books of the Canada Permanent Mortgage Corporation for the year ending 31st December, 1920, and have verified the cash, bank balances and securities of the Corporation. That we have examined the foregoing statement and that it agrees with the books of the Corporation.

That after due consideration we have formed an independent opinion as to the position of the Corporation.

That after our independent opinion was formed, and according to the best of our information and the explanations given us, we certify that in our opinion the statement sets forth fairly and truly the state of the affairs of the Corporation.

That all transactions of the Corporation that have come within our notice have been within the powers of the Corporation.

A. E. OSLER
HENRY BARBER,
Chartered Accountants } Auditors.

Toronto, January 11th, 1921.

The President, Mr. W. G. Gooderham, then addressed the meeting as follows:

The Report of the year's operations and the Statement of Assets and Liabilities, as at the close of the year, which have been in your hands for the past fortnight and which have just been read, are of such an eminently satisfactory character that I believe you will agree with me that the Shareholders are to be congratulated thereon.

You will have noticed that the Assets and Liabilities to the public, are itemized in a different order from that which has previously been followed. While we are of the opinion that the sequence in which the various items had appeared in our previous statements is, on the whole, a more satisfactory presentation of the Corporation's conditions, we have followed the form prescribed by the Ontario Registrar of Loan Corporations.

A comparison of the Statement with that of 31st December, 1919, will show that the amount of our mortgages on real estate has increased by nearly two million dollars and now exceeds twenty-eight million dollars. These mortgages number 14,819, and average of less than $1,900 each.

It has always been the policy of the Directors to invest the funds with which they have been entrusted as largely as possible on the security of mortgages on improved and productive real estate. The preference is given to loans of moderate sums on farm properties and on dwellings of not too expensive a class in our leading Canadian cities—two classes of property which are the most readily saleable under all circumstances. We have never lost sight of the fact that it was to supply the requirements of owners of real estate, and more particularly the farm and home owners, that this and other Land Mortgage Companies were founded. During the past year the demand for this, as well as other classes of loans, has been greatly in excess of the ability of lending institutions to meet. The large increase of nearly two million dollars in the amount of our mortgages affords evidence that we have done all in our power to meet the situation and that, as far as it is humanly possible, we have performed the service to the community for which our Company was created.

Like other Loan Companies, we have powers of investment in Bonds, Debentures and similar securities. At the close of 1919, chiefly owing to our having considered it necessary in the national and patriotic interest to subscribe as largely as possible to various War Loans, we became the owners of a larger amount of these securities than we had previously considered it advisable to hold. In addition to disposing of a considerable portion of the Bonds we held, we endeavoured by again increasing the rate offered to Sterling Debenture holders, to retain as much as possible of the British money which became payable during the year. In this we were fairly successful and, in view of the very large aggregate of Sterling Debentures which matured in 1920, the total amount outstanding at the end of the year does not show as great a diminution as might have been expected.

Had we followed the policy of paying off the Debentures which became due, or a greater portion of them, the favourable rates of exchange which prevailed would have enabled us to have very materially added to the profits for the year. To retain the money in Canada, we had also to compete with the unprecedented yields which the British investor has been able to obtain on the choicest securities at home. Bonds of the leading British Cities, as well as the obligations of the British Government, were being pressed upon him to yield better than six per cent. European Countries which in 1919 borrowed in the United States at five and one-half per cent., had in 1920 to pay eight per cent. The fact that in the face of this competition we renewed and replaced such a large proportion of our Debentures affords the best evidence of the reputation of the Corporation in Scotland and of the very high place our Debentures hold in the estimation of investors and their financial advisers.

In renewing instead of paying off these Debentures, your Directors and the Executive have been actuated by a desire to provide as fully as possible for the requirements of our farmers and other owners of real estate. They are also satisfied that ultimately it will prove to be in the best interests of the Corporation to maintain the valuable associations which have been built up in the past forty five years and which we so greatly appreciate. The abnormal conditions which have existed for some time must sooner or later give place to those which prevailed for so many years, and leading economists do not hesitate to express the opinion that this process will be much more rapid than the vast majority anticipate. By keeping the channels open in the meantime, we may confidently expect a renewal of the flow of British money to Canada and which will be made available through investment in this Corporation's Debentures for loaning on Canadian real estate.

While on this subject, I am very sorry to inform you of the sudden death last November of one of our valued representatives in Scotland, Mr. David Cowan of the firm of Bell, Cowan & Co., Edinburgh. As our Chief Agents say in their letter about him, he was a much respected friend and colleague and he will be very much missed. It has been said of him that he was personally the first to send money from Scotland on Canadian Loan Company Debentures.

It is a source of much gratification that, notwithstanding the number and amount of other securities which were offered to the Canadian public at very attractive rates, our Debentures hold such a high place in the esteem of our people that the amount payable in Canada increased during 1920 by more than $431,000.

While the cost of our borrowed money has necessarily increased, the rates of interest obtainable on mortgage loans have been attractive and afford a fair margin of profit. I shall not venture to predict how long the present rates may prevail. There is every indication that the demand is likely to at least equal the available supply of money for loaning purposes for some time to come. If there should be a lessened demand and a consequent reduction of rates of interest it will be due to such altered conditions as will enable us to obtain supplies of capital on more favourable terms. In the meantime, the interest paid by mortgagors is not more than commensurate with the increased cost of the money loaned and does not afford as great a ratio of profit as when it was possible to make loans at much lesser rates.

The real estate held for sale includes not only the properties acquired by foreclosure but also all which have fallen into the possession of the Corporation under Power of Sale or in any other way. A corporation which transacts a loaning business in every Province of the Dominion except Quebec, and of the volume shown in our Statement, will always have a percentage of its customers who for some unavoidable reason fail to meet their obligations. The amount represented by this item in our Assets is about 1.36 per cent. of the total. There is no doubt that these properties will realize at least the amount at which they are held and in the meantime they are producing a yearly rental equal to eleven per cent.

The Corporation's investment in The Canada Permanent Trust Company is proving satisfactory. That Company's business and the profits therefrom are increasing. The Corporation's Shareholders can further increase the business of the Trust Company and the profitable nature of the Corporation's investment in it, by employing it whenever it can be of service in any of the various capacities in which it is authorized to act and by recommending it to their friends and any who may consult them on such subjects.

For the eighth consecutive year we have paid the Shareholders dividends at the rate of ten per cent. per annum and for the fifteenth year in succession we have added a quarter of a million dollars to the Reserve Fund. In addition, the balance at the credit of Profit and Loss shows a small increase. The Reserve Fund is now equal to the Paid-up Capital of Six Million Dollars. I stated last year that upon reaching this objective, which we have had in view for many years, the Directors may feel justified in thereafter making smaller additions to the Rest. We believe we are now warranted in informing the Shareholders that, if nothing unforeseen occurs between now and the date at which the next quarterly dividend be declared, it is the intention of the Board that it shall be three per cent. for the quarter, or at the rate of twelve per cent. per annum. This will be a return of six per cent. on the Shareholders' combined Capital and Reserve Fund, amounting together to Twelve Million Dollars.

I think it is unnecessary to detain you with any further remarks. I have followed my usual practice and confined my observations to the business of the Corporation. There is no institution with which I am associated in which I take a more vital personal interest nor of which I am prouder. I know that the pride I feel in its success and in the premier position it occupies is more than fully justified. I, therefore, have much pleasure in moving, seconded by the Vice-President, that the Report of the Directors be received and adopted and, together with the Financial Statement, be printed and a copy sent to each Shareholder.

The motion was seconded by the Vice-President, Mr. R. S. Hudson, who said:

As the President has given you a clear idea of the Company's business for last year, it is hardly necessary for me to make many remarks. I will say this, that another year has passed and we have added Two Hundred and Fifty-four thousand odd dollars to our Profits, over and above the dividend. The average addition to Reserve and Profit and Loss during fifteen years has been $260,652. The record has been of a character to make every shareholder thoroughly satisfied with his investment, and when we take into account that, as stated by me last year, these Assets are realizable and are only incorporated in the Statement after the most careful revision, there is an added assurance.

Since our last Annual Statement, farm lands have somewhat increased in value and I have no doubt the facilities we have afforded the farming community have assisted in this result.

Had it been that we had no other idea during the year than that of temporarily making a good showing, we might have paid off more of our Sterling Debentures, but by not doing so we were enabled to increase our loans to farmers and householders by nearly $2,000,000.

There are two important facts to which I might refer. The first is that over 84 per cent. of our total investments are in first mortgages, chiefly on farm properties and dwellings of moderate size and value. The second, and it is a significant one, is that we collected on mortgages alone, during 1920, $5,991,924 in cash, only $137,558 less than our total deposits, all of which has been reloaned, and we also collected interest alone on other securities $233,288, leaving the total amount collected during the year in actual cash $95,730 more than our total deposits, and this is not an unusual showing for your Company.

It is with a great deal of satisfaction I bear testimony to the loyal support and co-operation the members of the different staffs have given Head Office, without which such results as have been obtained might not have been secured.

With the foregoing remarks I beg to second the President's motion that the Report, as read, be adopted.

The President's motion for the adoption of the Directors' Report was unanimously carried.

The retiring Directors were all unanimously re-elected for the ensuing year, namely, Messrs. W. G. Gooderham, R. S. Hudson, Col. Albert E. Gooderham, J. H. G. Hagarty, John Campbell, S.S.C. (Edinburgh), John Massey, F. Gordon Osler, E. R. C. Clarkson, William Mulock, and George W. Allan, K. C., M.P., of Winnipeg.

Messrs. Henry Barber and A. E. Osler, Chartered Accountants, were re-appointed Auditors for the current year.

The Directors met after the adjournment of the Annual Meeting and re-elected Mr. W. G. Gooderham, President, and Mr. R. S. Hudson, Vice-President.

DEPARTMENT STORE TRADE

January Reduction Sales Stimulate Buying

NEW YORK.—Department store business for the first month of 1921 has shown up well compared with a year ago. All of the larger stores report January sales have gone very well and attracted large numbers of buyers. Public feeling seems to be that prices are down low enough to renew buying.

H. A. Saks, of Saks & Co., said business had improved considerably since the first of the year and that January reduction sales showed the public, during the period of high wages, had saved money which they were now ready to spend liberally.

"Every one seems to be taking a more encouraging attitude," said Mr. Saks. "The feeling is that prices have reached bottom and have taken a slight upward trend, which has been stimulating to business, but any marked increases would result in killing the goose that lays the golden egg. Manufacturers must not expect retailers to go back to protective buying. Prices must stay down and enthusiastic manufacturers who attempt to raise prices under the impression that a new boom has begun will be rudely disillusioned."

Estimates placing shortage of houses in America at more than 1,250,000 will be placed before National Council of Chambers at meeting to be held in Washington Jan. 27 and 28.

CONSTRUCTIVE FORCES AT WORK AS TO BUSINESS

Wages and Labor Are Being Realigned to New Conditions

AS TO INVESTMENTS

Taxation Laws Have Affected Values—Business Should be Allowed to Do Business Without Restraint.

By JAMES S. ALEXANDER,
President National Bank of Commerce of New York.

There are at present a number of great business forces clearly at work building a sound business structure for 1921. Supply and prices are becoming broadly co-ordinated to demand. The improvement in the liquidity of credit, which is now in progress, must develop further, but there are signs that improvement there will continue. As these movements are fulfilled, as wages and labor are realigned to new conditions and as business finally absorbs the losses incident to deflation stabilization on the new level will become an accomplished fact.

The beginning of the year 1921 has auspicious aspects in the rapid, yet orderly, way in which these great corrections are progressing. The year must be judged, then, not so much by the volume of business that will be accomplished in it, but rather by the sounder conditions which will prevail, marking the definite return to a new era of business fundamentals.

Normal activity must come from within business rather than from without. Business cannot idly wait for the public to resume active buying. It must stimulate buying by establishing a wide prevalence of substantially reduced prices for goods which must be based on increased efficiency in production and distribution, and the acceptance of reasonable margins of profits.

Labor More Efficient

In this connection the growing tendency of labor to become more efficient and its willingness to accept some liquidation of inflated wages is a most encouraging circumstance. From more than one point of view the readjustment now going on in respect to labor supply and demand is beneficial to the individual worker. The excess of jobs over workers, inflated wages and lax supervision from employers which characterized the boom period were all influences upon labor contrary to its best interests. Radicalism, encouraged by labor scarcity, invaded and depreciated the quality of labor as a component in our national economic life. High wages begot extravagance that soon reacted in rising prices, reducing the buying power of those very wages so that labor's gain was more apparent than real. There also developed a demoralization of individual efficiency because men were not kept on their mettle by competition for work and advancement.

With the return of more rigorous conditions it is becoming clear that the best interests of conscientious labor are served by a more normally balanced relation between labor supply and demand. Competition for work means the stimulation of efficiency and staunch Anglo-Saxon individualism as opposed to radicalism. An abundance of labor permits employers to choose workmen intelligently and to co-ordinate wages to their proper part in production costs, facilitating the establishment of price levels best for all.

But employers must play fair and not attempt to unduly lower wages or to enforce greater curtailment than circumstances warrant. They must recognize that, in any country worth living in, the standard of living tends ever upward. Wage earners in the United States are entitled to the opportunity to receive more joyless existence in return for real than merely the means for a bare and work well done. Any other attitude on the part of employers would be a menace not only to the orderly readjustment of existing conditions, but also to sound business progress in the long run.

Better Things at Hand

I believe we are justified in confidence that these elements of progressive readjustments which are working toward better times are now greatly in the majority. The true need of business is, not stimulation of the forced-draught order, but rather a conservative response to better conditions as they develop. Such conservative, yet confidently progressive, course is the only basis for business success this year, as distinguished from the feverish way in which business was conducted during the war and post-war period.

The history of that period might be indicated in terms of unsettled relative values. With a chart of price changes before him, and without further knowledge of what took place in the world since the first of August, 1914, one could read in these changes the transit of a great convulsion in human affairs. Prices for personal services, prices of physical goods and of real estate, money rates and quotations of corporate securities in the stock markets all would depict the sweep of tremendous events. One versed in the history of human affairs would have little hesitancy in concluding from these combined changes that their violence could reflect nothing short of a great world war. He could read in them, first, the prolonged raging of the conflict. He could trace a subsequent period of relaxation from war-time repression marked by extravagance and inflation, and finally a great reaction even more abrupt and violent in its development than had been the course of rising activity.

Yet in all this turmoil of prices real values have undergone no such violent change. We can get no more wear, no more enjoyment out of possessions acquired at excessive prices than at reasonable prices. Our views and estimates of things have at times been seriously distorted and blurred, but fundamentals have not wavered. Prices have taken a wild ride on a roller-coaster, but intrinsic values have continued to travel on the good old level roadbed of fact, where progress is forward rather than skyward.

Down to Fundamentals

With the subsidence of war conditions it is again possible to see things more clearly. What is most needed to-day is an earnest endeavor to revisualize fundamental values, to see intrinsic facts as they really are and to conduct business in accordance with that clearing vision. We must distinguish between substance and illusion, between permanent and temporary factors. We must realize that what was regarded as good business practice yesterday, at a time when it seemed as if the public was willing to pay almost any price for almost anything, is not to be regarded as sound business practice under conditions when common sense and discrimination again prevail.

America is fortunate in that it does not require a boom to be prosperous. The substantial factors of our national wealth will eventually bring about adequate revival of our industry and commerce without recourse to artificial palliatives for a situation which at present undoubtedly has many unsatisfactory aspects.

Nor does our foreign trade demand artificial stimulation. A recession there should not cause alarm if it represents a readjustment of our international trade toward more normal relationships. We might well view with anxiety any movement toward financing foreign commerce on terms tending to perpetuate or aggravate conditions of over-expansion or non-liquidity in our business structure. Foreign trade should be adequately financed where there is a real economic need for it, but there should be no effort to extend America's creditor position beyond the point of reasonable confidence that the credits can ultimately be liquidated.

Many misconceptions have arisen in respect to both our domestic and foreign trade but they are the inevitable consequence of a period of business disturbance such as we have passed through during the past few years. The real test of our business sanity is the way in which we put aside these misconceptions and readjust ourselves to things we know to be true.

Security Markets

No section of the business fabric has been more subject to disturbance and miscalculation during the war and post-war era than the securities markets and none has shown a greater capacity for readjustment. It may be remarked in passing that during this period human nature has again furnished a remarkable refutation of the popular notion that it is the exchanges which beget speculation. The events of the past few years have shown that the normal inclination of human nature to take extra chances for extra profits will manifest itself in any phase of business where the conditions are favorable for speculation.

It may be fairly said that, so far as the securities markets are concerned, speculation there has been more orderly, more in accordance with pre-determined rules and more on a basis of voluntary participation than in most other directions. In general business lines the merchan-

Continued on page 24.

How the Canadian Railroads Had to Pay For Their Labor

One Important Factor To Be Considered in Relation to the Big Deficit of the National Railways

By Resident Representative.

A readjustment of laborers' wages was inevitable. Last summer the Canadian Pacific Railroad was in the market for 20,000 track workers at wages of from $5 a day up. The Grand Trunk and Canada Northern could easily have used as many again. And such wages were saddling Canadian taxpayers with extra assessment, taken out of the pockets of the producers and consumers and put into the pockets of track men, who were already earning more than college professors, teachers, preachers, bankers, bookkeepers, clerks, civil servants, or farmers.

At one section of the Canadian Nationals, I was motored inland by a preacher, who was acting as a taxi-driver and whose boys were working in the track gangs though they were educated to be engineers. For taxi-riving he received wages amounting to $125 a month, for preaching he drew $75 a month; so he taxi-ed during six days of the week and preached one, explaining to me, if Paul could make tents six days of the week and preach one, he guessed it wouldn't hurt the dignity of his calling to lay up something to the good against future reverses. This man had spent seven years of his life preparing for his vocation as a preacher. He had qualified in a Western University and finished in an Eastern; and I agreed with him, though not for the same reasons. I considered his experience would give him a sounder knowledge of men and affairs than study chair theories of economics and "isms." When I asked him if he thought labor was underpaid in the West, he stopped his car and laughed.

War-time Wage Boosters

"See these roads?" he asked. "Well, they were built by interned Austrians during the war; and the beggars went on strike for higher pay and got away with it. You haven't heard of any preachers and teachers going on strike—have you? Well—we are paying for the high cost of living just the same; so I thought I'd be farther ahead if I jumped in the game and earned some of the wages that are making living high rather than sitting back with a grouch and paying the piper out of a meagre salary."

A high school boy explained to me he had turned track worker because his family couldn't afford the high cost of living if he didn't.

At another section of the Canadian Nationals I passed through a gang of track workers, average age 21, nationality Cree half-breeds and Austrians, whose minimum wage was $5 a day and who had gone on strike twice in a month, once for three eggs with ham for breakfast instead of two, again because the cook was not an I. W. W. Union man.

Yet at this very period, when one railroad prepared to bring in 20,000 Italian track workers, they were mobbed by so-called returned soldiers with women as a screen in front to prevent the use of rapid fire guns on the ground bread was being taken from the mouths of Canadians and Imperial men, who couldn't get work.

The Soldier Sentiment

"What do you think of that?" I asked a returned man.

"Bah." He could hardly articulate. He spat his disgust. "The fellow who led that mob was thirteen months in service. He spent one month on the firing line and was kicked to the rear to curry horses because he was such a coward in action that we could not trust him. Say—did you ever hear of a real soldier putting women in front as a screen against rapid fire guns? Know that fellow's record since? He has served four years in Kingston Penitentiary and is wanted at Ellis Island on a white slave traffic charge for causing the suicide of a decent English bride, who came out and found he was married."

The strike leader—it may be added—has since departed for parts unknown. He was one of the chief wide-open-mouthed gramophone critics of the Soldier Settlement Board. Yet no Western paper that I know has exposed his record and a great many published his charge that the railroads were importing foreign labor to take the bread from the mouths of the men who had won the war. He was, in a word, simply a paid agitator to keep up the wage scale on any pretext and to keep out all importations of labor that would relieve the scarcity of labor.

Yet the Canadian consumer paid the high and higher wage scale, in high and higher cost of living owing to (1) higher freights, (2) higher taxes to pay a rail deficit.

U. S. FARM CROPS

Total Value of Nearly $20,000,000,000, But Below 1919

The United States Department of Agriculture reports that the value of farm crops of 1920 and of farm animal products and animals sold and slaughtered, as finally determined by Bureau of Crop Estimates, is $19,856,000,000 or $5,105,000,000 below total of 1919. Drop is almost entirely confined to crops, among which chief declines in value are: Corn, $1,662,000,000; cotton lint and seed, $1,300,000,000; wheat, $854,000,000; hay, $325,000,000; tobacco, $248,000,000; and oats, $161,000,000.

Through the Forum Fire the Records Lived

"Office Specialty" Record Safe Repels Attack of Fire and Water and Brings Valuable Business Records Through to Safety.

Through the intense heat of the big Forum Building fire—surviving the onslaught of an avalanche of drenching water — the "Office Specialty" Record Safe brought the valuable records of the Ontario Optical Company through to safety.

In this safe were stored all the valuable records of prescriptions of the Ontario Optical Company—all their invoices and other vital data essential to the conduct of their business.

Lucky? No. Simply a case of practical preparedness — the consequence of sound business foresight on the part of Mr. Elliott of the Optical Company.

Mr. Elliott invested in protection. He realized that fire doesn't send out advance notices; that the time to consider protection is before, not after, the harm is done.

There is a lesson in Mr. Elliott's experience for every business man who reads this message. Calamity may threaten you at any moment. The time to fortify against its evil consequences is now. Consider this vital subject of record-protection now. Telephone the "Office Specialty" Service Store for one of our men to investigate your record-protection requirements.

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THEORY OF PUBLIC OWNERSHIP BEING PUT TO THE TEST

Canadian National Railways At Present Hugs Liability To Country

DIFFICULT PROBLEM

Broad Policy of Reserving Canadian Traffic for Canadian Railways a Partial Solution

By SIR JOHN WILLISON.

Paper delivered before Canadian Club, Montreal

For half a century on this continent the clamor against railways after they have been constructed has been almost as vociferous as the clamor for railways before they were constructed.

On the whole, however, there has been no excessive capitalization in the Dominion, nor any such reckless creation of railway securities by manipulation and combination as have characterized railway finance in the adjoining country. But even in the American States the agencies of transportation have been often bedevilled by senseless and interested attack, by destructive legislation, and by extreme and impracticable measures of regulation.

Some figures are necessary to disclose the actual situation. If we include second tracks, yard tracks and sidings we have over 53,000 miles of railways in Canada. Down to the end of 1918 the Dominion, the Provinces and the municipalities had given cash subsidies to the huge total of $275,000,000, guarantees of $345,000,000 and land grants of 44,000,000 acres. To this must be added cash grants to the Canadian Northern and Grand Trunk Pacific Railways and an obligation yet to be determined for the acquisition of the Grand Trunk system. The total capitalization in stock and bonds is $2,000,000,000, while gross earnings of all Canadian railways in 1919 were $382,976,901. Between 1899 and 1919 the ratio of operating expenses per train mile increased from 65.4 to 89.3, although the carload was raised from 15.27 tons in 1917 to 23.46 tons in 1919, and the train load from 260 tons to 442 tons. For reasons into which one need not enter in detail, the railways have been consolidated into two great systems, the Canadian Pacific system with a total owned and controlled mileage of 18,859, and the Government system with a total mileage of 22,230.

The roads represented in the State system carry liabilities in bonds of $1,039,462,892 and in stock of $372,648,071, although what proportion of the stock will constitute an actual liability has yet to be determined. It is estimated that the fixed charges of the State system will exceed $50,000,000 while in 1919 the gross earnings were $162,978,066 and the operating expenses $167,020,217. For the year 1919 the deficit on the system was $50,000,000 and it is believed that for this year the receipts of the National Railways will fall $55,000,000 or $60,000,000 below the expenditures. But these figures do not include interest charges for the National Transcontinental Railway, nor for the old Intercolonial system. These roads have not kept their capital accounts as corporate roads are required to do. They show only the original cost of construction which was $330,062,719. The interest charges, therefore, would be between $13,000,000 and $15,000.000. If this sum is added to the deficit of $50,000,000 reported for the year ending June 30th, 1919, the total would be $63,000,000.

But even to that high total something must be added. Since the Government was obliged to go to the relief of the Canadian Northern and Grand Trunk Pacific there have been advances to the Canadian Northern of $140,145,930, to the Grand Trunk Pacific of $96,224,651 and to the Grand Trunk of $49,551,701, or a total of $285,922,283. Even to this must be added the cost of Canadian Northern common stock which with interest was $37,129,433. Advances and stock purchase together give a total of $323,051,716. The interest would average 5 per cent. It is necessary, therefore, to add between $16,000,000 and $17,000,000 to the $63,000,000 and to admit a total deficit of approximately $80,000,000 under the system of accounting which a private railway must follow and which must be employed if the true situation is to be disclosed.

In the United States the experiment in public ownership of railways produced a reaction which practically compelled the Government to restore the roads to the private companies.

There are also evidences of acute dissatisfaction in Great Britain over the methods and results of public control. Through Mr. Asquith the British Government pledged itself to reimburse the private companies for "deferred maintenance," for damage and for deterioration. Mr. Austen Chamberlain, chancellor of the exchequer, declares that "Mr. Asquith gave the railways a blank cheque and left the present Government to pay the bill." The Government now offers to give the companies $600,000,000 for "deferred maintenance," but they demand $1,000,000,000.

Wages Go Up

In Canada the whole problem has been made tremendously difficult by the enormous increase in wages. In 1919 the total annual payment in salaries and wages to railway employees was $67,167,793; in 1914, $111,762,972; in 1918, $152,274,953; and in 1919, $208,939,995. For 1920 the total was at least $250,000,000. In 1910 the ratio of salaries and wages to gross earnings was 38.61 per cent. and in 1919, 54.56 per cent.

In six years the gross cost of operating Canadian railways has increased by $240,000,000 or $250,000,000 and yet there are those who denounce the Dominion Railway Commission for authorizing advance in freight and passenger charges.

It is true there were rate increases on March 1st, 1918, of 15 per cent, on August 12th, 1919 of 25 per cent, and in 1920 of 40 per cent. with a subsequent reduction. But the significant fact is that the gross earnings of all the railways in 1919 were $382,976,901, while wages alone for 1919 represented a total charge of nearly $209,000,000 and for 1920, of probably $250,000,000 as against $111,762,972 in 1914.

Mr. Crerar, the national leader of the United Farmers, supported by some powerful newspapers, suggests that the National Railways should be revalued and the capitalization so reduced that the deficits on operation would disappear. Here again is a proposal which has infinite commercial possibilities and carried to its extreme extent would enable any government to declare a year of jubilee as political exigencies might require. There is no doubt that the National Railway System includes unnecessary duplication of mileage and stretches of road which may remain unprofitable for a generation. But there is also duplication of the tracks of the private company and to that extent its revenues are impaired.

The common stock of the Canadian Northern Railway has been written down to ten cents on the dollar, while the common stock of the Grand Trunk Pacific has been extinguished. Nor will the Grand Trunk when it is taken over represent in its capitalization common stock to any excessive amount. Upon the cost of these railways the people will have to pay interest in rates or taxation, while if the charges go into taxation a permanent burden will be laid upon the working and professional classes in direct relief of shippers and producers, whose goods and products provide the freight revenues of the railways.

Revaluation Principle

But if public operation is justified by results the national system will be secure, and become a very valuable public possession. It must be insisted, however, that revaluation in effect means to impose upon a private company some portion of the cost of governmental mistakes and miscalculations, and to increase the public debt by the amount of reduction in valuation. Surely no one can doubt that the spirit, capacity, and character displayed in the operation of the Canadian Pacific Railway constitute a national asset of high value and any legislation which would deprive the company of adequate revenues to maintain its position as perhaps the most efficient public carrier in the world would be a general public misfortune, would react disastrously upon all the interests and communities which it serves and would damage the credit of Canada on all the exchanges and throughout all nations which respect public contracts.

It is vital that we shall maintain a public policy which will reserve Canadian traffic for Canadian railways, and send out the goods and products of the country to ultimate markets through Canadian seaports. Indeed the necessity for such a national policy is peculiarly accentuated by the acquisition of a great system of State railways. In proportion as we increase the business of the National Railways we shall reduce deficits, lessen the burden of taxation, and improve the prospect of lower charges.

Sound national policy therefore demands that we develop the natural resources of the country, make these resources the basis of new industries around which industrial and commercial communities will grow, and take all practicable measures to provide local markets for Canadian producers in which farm products will fetch better prices than can be secured in markets far removed from the points of production. So in order to multiply the tax bearers it is necessary to encourage immigration, subject to such tests and restrictions as from time to time circumstances and conditions may require. No serious evils arise to any country from settlers who go upon the land if they are placed upon holdings which give a fair prospect of success.

Need Population

A naval holiday would be good for the world. A holiday in immigration would not necessarily be good for this country. We need population; the United States does not. The attitude of Washington towards immigration gives us a power of selection which we would not have otherwise, but also compels a vigilance in selection which we dare not neglect. One hopes, however, that regulations can be devised in co-operation with Great Britain and other countries by which selection can be made chiefly at ports of embarkation in order that the inhuman method of deportation may seldom be obligatory upon the Canadian authorities.

Those responsible for the direction of the National Railways can have no interest in any combination to secure profit at the expense of the public. They can have no other interest, if political considerations are excluded, than to give good service and secure earnings sufficient to avoid annual drafts upon the general body of taxpayers. There is no sound reason why this relation between the private railway and the national system should not be maintained, rates reduced by the Railway Commission as traffic permits, the public services co-ordinated, readjusted, and extended as experience suggests and changing conditions require, and the private company assured of adequate resources to maintain, improve and extend its system and provide adequate dividends to its shareholders and a fair return upon its great investments.

CONSTRUCTIVE FORCES AT WORK AS TO BUSINESS

Continued from page 22.

dising instinct seemed to be swept away as merchants were carried off their feet by the orgy of excited and unstable demand incident to the era of extravagance. Many merchants were not satisfied to remain merchants; they became speculators, but many merchants who desired to remain merchants became speculators against their wills.

Although fair play continued to rule in the securities markets, nevertheless the prices of securities undeniably moved at times proportionately as far out of line with their intrinsic values as did prices in other fields of business. I believe you will agree that securities prices soared altogether too high in 1919, while the subsequent collapse probably carried prices too low, seriously undermining public confidence. The extremes of these movements were in some degree due to special causes not directly connected with the factors of real value which securities prices ostensibly reflect.

Reward for Service

True public interest and fair recompense for real economic services performed may again be expected also to control prices in other business fields. Price changes of commodities and goods will be more moderate in the future and will impel the conduct of business on a basis of reasonable judgment. Sound judgment and the ability to figure out and rely upon a reasonable expectation of profit will prevail, and it is this which gives us firm ground for confidence in the prosperity of American industry and business in the long run.

It is beyond dispute that business, looked at in its fundamental aspects, is finding a new basis of operations that will constitute a more substantial and permanent foundation for a better balanced national prosperity than has existed at any time since the outbreak of the war in Europe. It will ultimately be planted firmly on the bedrock of normal conditions and established demands. Many of the seeming advantages of the war and post-war era have proved illusory and much of the development was out of proportion, reflecting the abnormal times through which we were passing.

We may expect, therefore, during this year a further readjustment of such phases of industry and business as became expanded to meet special conditions that are passing away.

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OLD CHUM
Canada's Favorite Pipe Tobacco.
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SMOKING TOBACCO

"To Grind Western Wheat in Western Canada"

We Offer 1,200 Shares

Balance of Issue of 2,500 Shares of Capital Stock of

ALBERTA FLOUR MILLS, LTD.

CALGARY, ALBERTA

Incorporated Under the Dominion Companies Act

AUTHORIZED CAPITALIZATION - $5,000,000

Comprising 50,000 Ordinary Shares of $100 Par Value, of Which 25,000 Are to be Issued.
No Preferred Shares.

BOARD OF DIRECTORS

GEORGE LANE, Calgary, President.
President George Lane Co., Ltd., Ranchmen and Livestock Dealers.

A. E. CROSS, Calgary, Vice-President.
President Calgary Brewing and Malting Co., Ltd. Ranchman and Farmer.

EDWARD E. STEVENS, Calgary, General Manager.
Formerly of Minneapolis.

WILLIAM PEARCE, Calgary, Director
Statistician to the Department of Colonization and Development, Canadian Pacific Railway. Fellow of the Royal Geographical Society.

COL. J. S. DENNIS, C.M.G., Montreal and Calgary, Director.
Chief Commissioner, Department of Colonization and Development, Canadian Pacific Railway. Ex-President Engineering Institute of Canada.

DAN. E. RILEY, High River, Alberta, Director.
Farmer and Ranchman.

MANAGEMENT

EDWARD E. STEVENS, General Manager.

ALEX. INGRAHAM, Milling Engineer

S. K. PEARCE, Secretary-Treasurer.

T. L. CLARK, Head Miller.

AUDITORS
George A. Touche & Co.
Lougheed Building, Calgary

SOLICITORS
Clark, Carson, MacLeod and Co.
Calgary.

ALBERTA FLOUR MILLS, LTD. was incorporated to own and operate flour mills and grain elevators and to deal in grain and grain products. It has now in course of construction in Calgary what will be, when completed, the largest and most efficiently equipped flour mill in Canada, with a daily capacity of 8,000 barrels of flour. The elevator will store 1,000,000 bushels of wheat. Re-inforced concrete construction is being used throughout.

The mill was designed by Mr. Alex. Ingraham, of Minneapolis, one of America's leading milling engineers.

The mill is already well on the way to completion.

STRATEGIC LOCATION. Calgary was selected by the Board of Directors as the location for the company's plant because of its position in the centre of the sources of wheat supply, and because of its accessibility to world markets.

Calgary has a population of 70,000 and is the chief distributing point between Winnipeg and the Pacific Coast.

Millions of acres of the finest arable land in Canada located near Calgary are producing the finest Hard Spring Wheat in the world.

Calgary is the centre of a network of transcontinental railroads by which wheat can be cheaply and expeditiously transported to the company's plant.

Calgary offers cheap power.

Calgary is a live-stock centre, and the stock and dairying ranches around the city provide an immediate market for all bran and shorts and other by-products of the mill. There will be no waste products.

Calgary has an excellent supply of labor.

The world's markets are accessible to a mill at Calgary. The Canadian market, the American market, the Orient, and the South African, Central and South American and European markets via the Pacific Coast ports and the Panama Canal can all be reached conveniently from Calgary.

The company's mill site in the East Calgary Industrial District contains ten acres of land with trackage on Canadian Pacific Railway for a distance of 2,000 feet.

THE BOARD OF DIRECTORS is composed of men who have been residents in Alberta for many years and who understand the needs of the West and the class and magnitude of the industries it can support.

No director is interested in the company other than as a subscriber for shares on the basis of paying the full par value for same, or in any property proposed to be acquired by the company; and no sums have been paid or agreed to be paid to any director or to any firm of which any director is a partner in cash or shares or otherwise by any person either to induce him to become or to qualify him as a director or otherwise for services rendered by him or his firm in connection with the promotion or formation of the company.

DIVIDENDS DATE FROM PAYMENTS FOR STOCK

All subscriptions for capital stock in this company begin to earn dividends from the date of payment. Pursuant to powers conferred by the by-laws of the company, the directors will set aside a reserve fund out of profits available for dividends and out of such reserve fund will pay a special dividend at the rate of 7 per cent. per annum on all sums paid on account of shares before the completion of the company's plant, from the time of the several payments to the date of such completion, such special dividend to be paid before the payment of any ordinary dividend.

TERMS OF THE OFFERING: $100 A SHARE. *Payable:* 50 Per Cent. on Application. 50 Per Cent. 90 Days After Allotment

The Company reserves the right to make partial allotments if the issue is over subscribed.
There is no bonus or promotion stock. All stock is $100 a share, fully paid and non-assessable.

For Further Information Concerning This Offering Write to
W. B. GRAMMER and CHAS. ROEMER, Eastern Financial Agents, 112 MANNING CHAMBERS, TORONTO
Telephone: Adelaide 7344